# HOUSE OF COMMONS DEBATES

## OFFICIAL REPORT

FIRST SESSION—THIRTY-FITH PARLIAMENT

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COMPRISING THE PERIOD FROM THE TWENTIETH DAY OF OCTOBER, 1994
TO THE TWENTY-FIRST DAY OF NOVEMBER, 1994

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# HOUSE OF COMMONS

**Thursday, October 20, 1994**

The House met at 10 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*Translation*]

### INTERPARLIAMENTARY DELEGATION

**Mr. Martin Cauchon (Outremont, Lib.):** Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report prepared by the official parliamentary delegation of the Canada–France Parliamentary Association which attended the 25th annual meeting of the association held in Montreal, Charlevoix and Iqualuit from July 16 to July 24, 1994.

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[*English*]

### PETITIONS

MINING

**Hon. Roger Simmons (Burin—St. George's, Lib.):** Mr. Speaker, I am delighted to present petitions on behalf of several hundred residents of Newfoundland. The signatories of these petitions come from my riding of Burin—St. George's as well as from the riding of my colleague, the Minister of Fisheries and Oceans and the member for Gander—Grand Falls.

The petitions salute the importance of the mining industry as the mainstay of employment in more than 150 communities across the country and as an important contributor to Canada's gross domestic product and exports.

The petitioners call on Parliament to take action that will increase employment in the mining sector, promote exploration, rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada.

I have much pleasure in presenting these petitions and in giving them my full support.

ASSISTED SUICIDE

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, according to Standing Order 36, I would like to present two petitions. The first petitions the government and prays that Parliament ensure that present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** The second petition, Mr. Speaker, is from petitioners who pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibitive grounds of discrimination the undefined phrase sexual orientation.

It is an honour for me to present these petitions on behalf of my constituents.

GUN CONTROL

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I have two petitions to present today, both on the same subject. I would like to add that there are a growing number of Canadians who continue to be concerned about the proposition of more gun legislation in this country.

These petitioners call to the attention of the House that current legislation allows law-abiding citizens of Canada to own firearms and that current legislation regulates the acquisition and possession of firearms through a complex, expensive and rigorous regulatory scheme. In the vast majority of serious crimes in which firearms were involved those firearms were illegally acquired or were illegally possessed.

Therefore, the petitioners call on this House of Parliament assembled to oppose further legislation for firearms acquisition and possession and to provide strict guidelines and mandatory sentences for the use or possession of a firearm in the commission of a violent crime. I concur with my petitioners.

CANADA POST

**Mr. Simon de Jong (Regina—Qu'Appelle, N.D.P.):** Mr. Speaker, I wish to present a petition signed by over 400 people from Balgonie, Saskatchewan in my constituency.

• (1010)

The petitioners point out that the present Prime Minister in a letter dated August 1993 to Rural Dignity of Canada stated that the Liberal party had "vigorously spoken out against Canada Post's plans to close or convert existing post offices and that the Liberal Party viewed the closure and the conversion as a deterioration of services to the public resulting in poorer service, lower wages for employees and greater difficulty in guaranteeing the security of the mail".

The petitioners ask that a full corporate post office be reinstated in the town of Balgonie which is a growing and progressive community, and they want a full time postmaster.

ASSISTED SUICIDE

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, pursuant to Standing Order 36, I wish to present two petitions this morning on behalf of my constituents in Cumberland—Colchester.

The first petition requests that this Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, the second petition is with regard to the Canadian Human Rights Act. The petitioners are requesting that we do not alter the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibitive grounds of discrimination the undefined phrase sexual orientation.

I am pleased to present both of these petitions on behalf of my constituents in Amherst, Nova Scotia.

YOUNG OFFENDERS

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Mr. Speaker, I have two petitions to present on behalf of my constituents today.

The first one deals with the young offenders legislation. My constituents have expressed a number of concerns. I am pleased to see that our government has addressed many of those in the present legislation before this House as well as in the study that is being undertaken by the justice committee.

HUMAN RIGHTS

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Mr. Speaker, my second petition has to do with changes to the Human Rights Act. My constituents are concerned that the changes will concur or give societal approval to things that my constituents do not believe appropriate.

* * *

## QUESTIONS ON THE ORDER PAPER

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I ask that all questions be allowed to stand.

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

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## OLD AGE SECURITY ACT

**Hon. David Anderson (for the Minister of Human Resources Development)** moved that Bill C–54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, be read the second time and referred to a committee.

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, it is my very great honour to rise in the House today to speak in support of Bill C–54, whose amendments which will assist over 3.5 million Canadian seniors, in particular the 1.4 million seniors currently receiving the spouse's allowance or the guaranteed income supplement.

The proposed amendments will enable these seniors, the majority of whom are women, to receive the benefits to which they are entitled with a minimum of red tape.

I am particularly pleased to speak on behalf of this bill because so many of its amendments display a unifying theme, namely establishing effective and efficient government and providing better service to the public while at the same time controlling costs.

This bill is a demonstration of our continuing commitment to both current and future seniors. It follows improvements to telephone service made earlier this year.

Members may recall that in February the Minister of Human Resources Development responded to public concerns raised by the Auditor General by ordering immediate action to ensure pensioners were able to get answers to questions about their benefits. These changes which involve the training of up to 200 additional client service officers and a $3 million investment to expand and upgrade existing telephone equipment has certainly been very effective.

• (1015)

In fact since May over 65,000 calls have been answered from clients in Ontario and New Brunswick alone. These clients would have had their calls go unanswered had the changes not been made.

The amendments we are introducing today will move us a few more steps down the road toward the administrative effectiveness and excellent client service which we all seek. They will also make it easier for you as members of Parliament to represent constituents in their dealings with the department.

I want to speak a bit about the reform of income security programs. The government is committed to providing Canadians with a more streamlined and efficient system. This is especially true in Human Resources Development Canada where this is not just some philosophical notion but rather a daily commitment to the clients who use the numerous employment, training, social development and income security programs which the department administers.

The redesign of our income security programs encompassing the old age security program and the Canada pension plan is a concrete example of this commitment. This project will vastly improve the efficiency and quality of service to Canada's seniors and pensioners. However, redesign is not something that happens overnight but it is indeed a continual process.

Fortunately there are changes which can be made right away and these are contained in the bill before the House. These include an alternative to the annual application process for income tested benefits under the old age security program; streamlined appeals process and procedures to expedite the hearing of appeals; one year retroactivity under the Canada pension plan for retirement pensions payable after age 65; the authority to forgive overpayments resulting from administrative error or erroneous advice; and a number of technical amendments which collectively enable the government to offer better service to seniors in a more efficient manner. Also in the bill is found changes to guaranteed income supplement and spouses allowance.

One amendment of the bill is of special significance to low income elderly Canadians, a disproportionate number of whom are single women. Under the Old Age Security Act a basic pension is provided to all those persons over the age of 65 who have met the residency period established in the act.

The basic pension is the foundation of the old age security program. In addition this program provides income tested benefits such as GIS and SPA. These two programs ensure that recipients have a guaranteed minimum income on which to live.

The amount of GIS or SPA an individual receives during the fiscal year is based for the most part on income in the previous calendar year. To obtain this information we have always required that our clients file a statement of income each and every year. The experience of experts in this area is that this can be an onerous and even frightening experience for many seniors.

I recently received a letter from a volunteer agency composed of seniors whose mandate is to ensure that other seniors are aware and able to take advantage of the services and benefits available to them. This group was asking if any alternatives to the current application/reapplication process had ever been considered. This question obviously flowed from its experience in dealing with problems caused by the current system. The woman who wrote on behalf of the group pointed out two significant areas of concern which these volunteers had encountered.

• (1020)

To begin with, renewal applications are sent out each January and must be returned by the month of March. This allows the new benefit amounts to be calculated in time for the April cheque.

The woman who wrote on behalf of the volunteer group pointed out that some of the older recipients in her province worry about being late in reapplying, so much so that many complete it as soon as it arrives in January. The problem is that people with some other source of income have not received their information slips by the end of January. As a result, these pensioners guess at what their income was in the previous year.

However, if they guess wrong it means that they either receive an underpayment or an overpayment on their April cheque. In the case of an underpayment, they may not receive sufficient money to live. In the case of an overpayment, recipients could end up having to pay money back to the government. As well, some recipients set this form aside for safekeeping in recognition of its importance and then forget to submit it when they receive their information slip.

Sadly, it is no longer possible for staff to contact those seniors who have not returned their forms by a certain date, since we now have more than one million supplement clients to serve each year. In any case, failure to file this form means that pensioners' old age security cheques in April would contain only the basic pension amount. At its worst, this could mean receiving roughly $388 instead of $848, a 54 per cent drop in income.

For someone relying on an income tested benefit to make ends meet, this is of course a devastating experience. At that point they need special help to get their forms completed and a cheque issued as fast as possible. This, of course, adds to administrative costs.

I am not saying that all pensioners, or even the majority of pensioners, have difficulty with the renewal process. However,

the fact is that there is a problem for some which is reason enough for this government to find alternatives.

An amendment to the Old Age Security Act contained in the bill would go a long way to alleviating these very real problems facing very real people. The amendment would give the Minister of Human Resources Development the authority to waive the requirement for an individual to reapply each year.

It will be some time before we are able to use this waiver extensively. However, some of the cases where this waiver could be used either immediately or in the very near future include the following: Pensioners whose income does not change from year to year, a situation common among more elderly seniors; pensioners whose only other source of income is the Canada pension plan, which means that my department already has the income information necessary to calculate the income tested benefits under the old age security program; and, pensioners who have already filed their income tax returns by the end of March.

For this group, the income information could be obtained directly from Revenue Canada. Obtaining information directly from Revenue Canada would do more than provide an improved client service. It would also reduce a great deal of duplication both for seniors and for the government. Seniors would no longer have to provide what is effectively the same information to two government departments. In turn, the role of the Department of Human Resources Development plays in the renewal process would become more efficient because it would get the correct information from Revenue Canada about an individual's income from the first.

This means that the underpayments and overpayments on many accounts would be eliminated. Efficiencies such as this would go a long way to streamlining service to the public, while at the same time reducing government expenditures. As well, there would be a reduction in the paper burden imposed on those who are least able to cope with it.

Other amendments in the bill would also have significant benefits for pensioners. The OAS appeal process is yet another example. It involves changes to the old age security appeal process. Currently any client dissatisfied with the decision under the OAS act may ask for a reconsideration which is an internal review of their file or the client can go directly to a review tribunal which is made up of three members, a representative of the client, a representative of the minister and a chair who is agreed by the other two.

• (1025)

There are a number of problems with this process which I feel the amendments will go a long way to alleviate. First we are proposing that the reconsideration stage be mandatory for all appeals, so that clients would be assured of a speedy review of their case to ensure that the decision they originally received was in fact the correct one.

Experience has shown that reconsideration is the fastest way to change the original decision, especially if an error occurred or if there was simply something lacking in the documentation submitted the first time around. This happens when clients bring forward new information that was not available when the original decision was made.

Second, we are proposing to have all OAS review tribunals heard by the review tribunals correctly in place under the Canada pension plan. As I am sure hon. members can appreciate, it is often very difficult to find three volunteers who are all able to be at the same place at the same time, during business hours, particularly in remote locations. In fact there are currently appeals under the OAS program that have been waiting to be heard for more than two years.

By contrast the Canada pension plan review tribunals in place since 1992 are proving very efficient. These tribunals are composed of three members chosen from a panel appointed for just this purpose. As a result we have a significant number of people who are committed to be available to take part in the appeal process in all parts of this very large country.

As well, because members hear a number of appeals during their tenure, they develop a very good working knowledge of the program on which they are being asked to adjudicate.

On the issue of war crimes, we are also proposing amendments which complement Canada's commitment to the international community in its efforts to bring to justice persons suspected of war crimes or crimes against humanity.

To further the important work of the Solicitor General, the department is proposing amendments to the information disclosure provision of the Canada pension plan, the Old Age Security Act and the Unemployment Insurance Act by allowing the commissioner of the RCMP, the Minister of Justice and Attorney General of Canada access to information controlled by our department.

Canada is strengthening its ability to be a meaningful partner in this effort. I assure hon. members that this access will be strictly controlled and will be restricted to actions conducted by Canada in Canada.

On the information exchanges with veterans affairs, other changes to the information provisions contained in the Canada pension plan and Old Age Security Act will follow for expanded information exchanges in veterans affairs. Even though many of our clients are the same our ability to communicate with each other has been very limited.

In this time of economic restraint it is important that we govern as efficiently as possible. It is also important that people will receive their correct entitlements under various government programs. Better communications with veterans affairs will meet both of these objectives.

On the issue of pensioner activity I now want to outline a significant amendment to the Canada pension plan contained in the bill, significant because of why it is being made; that is, the introduction of a 12–month retroactivity period for Canada pension plan retirement applications by persons over the age of 65.

In 1987 with the introduction of flexible retirement under the CPP it became possible to receive an actuarially adjusted retirement pension from age 60 to age 70. The amount of an individual's benefit is based in part on the age at which the pension begins. Specifically the benefit is reduced by .5 per cent for each month an applicant is under age 65 or increased by .5 per cent for each month the applicant is over the age of 65.

• (1030)

To complement this change, it was felt that there was no further need for retroactive retirement pensions prior to age 70. If someone delayed applying for retirement pension past age 65, their benefit would be adjusted to reflect this fact.

However, in the ensuing seven years, there have been some complaints from people over the age of 65 who state that they would rather have had the option of receiving up to 12 months of retroactive benefits. This would be in lieu of the increase of up to 6 per cent in their monthly entitlement that a delay of 12 months represents.

This change is not significant if we look at the number of people who have requested it. However, ask any one of the individuals who wants to choose the retroactivity option and they will tell you how significant it is to them.

Usually they have delayed a few months in applying after their 65th birthday and they really cannot understand why they cannot get benefits back to that time. Frankly, neither can I. It is not a matter of costs since the extra months of payments are balanced by actual adjustments.

Another significant change proposed by this legislation relates to overpayments which occasionally occur under the Old Age Security Act. When overpayment was solely the result of an administrative error the Minister of Human Resources Development under this legislation would have the authority to give such an overpayment. This mirrors a provision that currently exists under the Canada pension plan.

Today I have outlined the major changes the government is proposing to OAS and CPP legislation. However there are several other technical amendments that will also help us better serve pensioners.

In conclusion, these amendments taken together will result in improved service to our clients, reduce administrative costs and significantly reduce duplication and paper burden both to our clients and to the government departments involved.

The amendments contained in this bill represent one more step in this government's commitment to providing Canadians with the excellent government services they deserve while at the same time reducing costs as much as possible.

Finally, the amendments in this bill will go a long way toward helping making life a little easier for our seniors who have after all made such a tremendous contribution to the building of this country.

[*Translation*]

**Mr. Maurice Dumas (Argenteuil—Papineau, B.Q.):** Mr. Speaker, Bill C–54, an Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Allowances Act and the Unemployment Insurance Act, was tabled on October 7 by the Minister of Human Resources Development.

The proposed amendments to the Old Age Security Program and the Canada Pension Plan will provide for certain improvements that will benefit senior citizens, but the bill's lack of clarity is certainly no guarantee that senior citizens will have an adequate level of financial security. The bill may even reduce the incomes of some seniors.

As the critic for seniors' issues, it is my duty to ensure that the social security review does not become an exercise in making cuts in all programs designed to protect the neediest in our society, especially senior citizens.

Most senior citizens have modest incomes. According to a report by the National Advisory Council on Aging, disposable incomes of senior citizens were as follows: the incomes of families headed by seniors were 68 to 80 per cent of the incomes of other Canadian families, depending on the income measure used and the Canadian region concerned. In 1989, for instance, the average income of families headed by seniors was only $37,462 or 72 per cent of the incomes of families where the head of the family was under 65.

• (1035)

In 1989, the average income of single persons aged 65 or over was $16,316, while the average income of single persons under 65 was $23,080. A single person is an individual who lives alone or in a household where the person is not related to other members of the household. Single persons, irrespective of their age, tend to have relatively low incomes. Consequently, if we consider single persons as a group, the gap between senior citizens and the rest of the population is not as wide as it is between families, but it is still substantial.

Responsibility for seniors is shared by two departments, Human Resources Development and Health, with the Seniors Secretariat, which is responsible for giving seniors the information they need on federal programs and services, while providing liaison with the federal and provincial departments responsible for programs for senior citizens. Why not have a minister responsible for senior citizens, like the previous government? I asked this question at the very beginning of my term as a member of this House.

In addition, the National Advisory Council on Aging advises the Minister of Health on the quality of life of senior citizens, either at the request of the minister or on its own initiative. The council's role consists in disseminating information and publishing reports, for instance. The federal government assists senior citizens mainly through two programs: Old Age Security and the Canada Pension Plan, and a number of tax measures.

The purpose of the OAS program is to provide seniors with a decent level of income. The program includes three kinds of benefits under the Old Age Security Act. The basic old age security pensions provide seniors with the basis for a decent level of income. Pensions are paid to all Canadians and Quebecers 65 years of age and over who meet residence requirements. They are taxable and subject to partial or full clawback in the case of seniors with high incomes.

The guaranteed income supplement ensures a minimum level of income to old age security pensioners. Benefits are paid to old age security pensioners who have a low or modest income. The amount of benefits is established through an assessment of annual income, generally based on the individual's income for the previous year areported for tax purposes.

The spouses's allowance helps married, retired and low–income couples who receive only one old age security pension or guaranteed income supplement, as well as low–income widows and widowers, aged 60 to 64, who meet the old age security requirements in terms of residency. Benefits are determined through an income assessment similar to the one applicable to the guaranteed income supplement. The Canada Pension Plan is a mandatory and contributive social insurance program designed to protect Canadian workers and their families against a loss of income due to death, disability or retirement.

Retirement pension benefits are equal to 25 per cent of the pensionable earnings of the contributor, with this average being established for the net qualifying period. These benefits will help about 2 million pensioners each month, for a volume of transactions of $9.6 billion in 1993–94. Survivor's benefits consist of a monthly benefit paid to surviving spouses of deceased contributors, an overall benefit paid to the succession and orphan benefits paid each month to children of deceased contributors. Benefits paid to surviving spouses are reduced if spouses are aged 35 to 45, are not invalid or have no children. Disability payments are made monthly to contributors who have not yet reached 65 years old and have a chronic and serious disability and to their dependent children who are 18 years old or less or 18 to 25 if they are full time students. In 1993–94, approximately $2.5 billion will be paid to 325,000 recipients every month.

• (1040)

Bill C–54 highlights contain, among other things, two specific amendments which will have a positive impact on the programs for the elderly and the amendments are the following.

Spouse's allowances automatically become old age security benefits when the recipients reach 65 years old. The guaranteed income supplement and spouse's allowances will be paid even when applications are late. The intent of the proposal is to amend the Old Age Security Act in order for the minister to be able to exempt some recipients from filing an annual application for the renewal of the guaranteed income supplement and spouse's allowances.

However, the Bloc Quebecois cannot support Bill C–54's provisions which change access to some information, since the government wants to increase the number of departments, agencies and persons given access to personal information used in the administration of the acts amended by this bill.

According to the legislation as it stands now, the agencies having access to information are the departments of National Revenue, Finance and Supply and Services, the Employment and Immigration Commission, Statistics Canada and any provincial authorities administering an assistance program. These agencies do have access providing the information deals only with the status of recipients or the amount of the benefits or where disclosure of information is required for the purposes of administering the act.

We must be careful when gathering personal information on elderly people, because this can be used for other purposes. We must protect them from possible abuse. The government has not demonstrated that privileged information disclosure was required and essential. The government must always be accountable to elderly people by showing that the gathering of such information is not abusive.

Governments are encroaching more and more on the private lives of people, as we saw recently in the Grant Bristow case. Furthermore, the Bloc Quebecois does not accept the clauses providing for sanctions in case of illegal communication because they do not go far enough.

Also the bill's clauses relating to information add the following agencies to the list of those who can have access to that

information, namely Canada Post, Correctional Services of Canada, the Commissioner of the Royal Canadian Mounted Police, the Department of Justice and the Attorney General and even federal MPs and any other person designated by the minister as a health professional.

Some information will be made available to a greater number of departments. It is important to note that Correctional Services of Canada will have access to information on pensioner inmates in order to force them to pay back part of the costs of their detention.

The Department of Justice as well as the Commissioner of the Royal Canadian Mounted Police will have access to obtain information that could help them catch war criminals. Of course, this is aimed at Nazis who migrated to Canada after the last World War, among others. It is not explained why it is necessary to include any other person designated as a health professional by the minister. It is also mentioned that it would be useful to include Canada Post since that agency could, by using new techniques, help speed up the processing of pensioners' cheques.

• (1045)

Another important point in Bill C–54 has to do with the government's plan to save money. From now on, clients who apply late for their pension will be able to receive up to one year's retroactive payment of benefits. In the case of Old Age Security, this is a reduction from five years to one year. For the Canada Pension Plan, this kind of situation is dealt with through actuarial adjustments.

This provision will come into force on April 1st, 1995. However, pensioners who owe money to the OAS plan will have their debt forgiven if it is the result of an administrative error or erroneous advice on the part of a departmental official.

The maximum deadline for the recovery of OAS overpayments will be eliminated. This way, the government will be able to get back between one and two million dollars.

Moreover, the minister may stay payment of benefits pending an appel or a judicial review, thus depriving beneficiaries of money they need since it is often their only source of income.

The Old Age Security pension and the guaranteed income supplement are paid to 72 per cent of women pensioners and 50 per cent of men. Only 5 per cent of senior citizens have incomes above $50,000. Their life expectancy has improved and we must ensure that these senior citizens lead a full and satisfying life during these extra years.

By putting more stringent conditions on programs for senior citizens, the government is merely cutting the income of these people. The government is saying that the retroactive period has been shortened from five years to one year, to make the OAS program consistent with that of the Canada Pension Plan.

According to the present legislation, the government can go back a maximum of two years. Abolishing this provision would save the government between one and two million dollars. Given that people are protected from possible errors by civil servants, they would not have to refund any excess payment in such a case. The minister should tell us where he is going to take that money.

In the event of an appeal, the minister will be authorized to delay payment. Yet, the government itself recognizes that a large percentage of pensioners have no other incomes.

Let us not forget that the federal government has decided to reduce the tax credit given to senior citizens. At the present time, all taxpayers 65 and over can claim a tax credit equivalent to 17 per cent of $3,482 at the federal level, and 20 per cent of $2,200 in Quebec. This tax credit is non–refundable, that is to say, taxpayers can use it to reduce the tax they owe, but they cannot ask for a cash refund on any unused portion of it. However, such an unused part can be transferred to the spouse.

This tax credit amounts to a reduction of federal tax of about $610 per year for all tax–paying senior citizens. In most provinces, and in Quebec in particular, this credit also reduces the provincial tax. The combined reduction of federal and provincial taxes averages about $950, but in Quebec it comes to about $1,050.

On May 31 of this year, I took the floor to oppose any reduction of the tax credit for senior citizens. I stressed that once again the meagre efforts to reduce spending were done at the expense of the neediest. At that time, I also mentioned that, on May 10, I had questioned the minister responsible for seniors about the projected use of so–called voice mail boxes to answer inquiries from senior citizens.

• (1050)

The Minister of Human Resources Development merely stressed the efficiency of the proposed service. I explained that a lot of seniors hate to use this type of service and that the golden–age club representative voiced their concerns. In the last year, the Minister of Human Resources Development received numerous letters from Quebec members of the AFEAS, the Association féminine d'éducation et d'action sociale. Here are excerpts from one of them:

> We heard that your department, Human Resources Development Canada, is planning to use voice mail in its communications with senior citizens wanting information on income security matters.
>
> We believe this measure will affect people who may naturally be at a loss when confronted by this technology. Moreover, many of them do not have the required telephone sets.

We AFEAS members are strongly opposed to your project to provide services to seniors through voice mail instead of having real people answer questions about income security.

We ask you to reconsider this unfortunate decision as soon as possible.

On May 11, 1994, I insisted again. I then asked the House: Why does the federal government insist on attacking senior citizens, considering that most of them find it very difficult to deal with a system that is so impersonal?

Last September 28 in this House, I asked the following question of the Minister of Human Resources Development: Does the Minister of Human Resources Development still intend to slash programs for seniors in order to finance other federal government programs? Will we have to wait until after the Quebec referendum to know the answer?

On September 29, I rose again in this House, in an attempt to get a formal commitment from the government not to tax RRSPs. The purpose of my remarks is not to reject all the measures in Bill C–54 affecting senior citizens, given that certain rules that complicated their lives unnecessarily have been relaxed.

However, the government must guarantee seniors a certain security by not slashing the social programs that affect them. The government's direct expenses associated with senior benefits, which include old age security, the guaranteed income supplement and the spouse's allowance, represent $20.6 billion in 1994–1995. The burden carried by seniors must be fair and equitable. Recent studies indicate that one person in eight is over 65.

In ten years, the number of people 65 and older will increase by at least 40 per cent. More Canadians aged 65 and older will have to rely on the ability to pay of working Canadians aged 15 to 64. However, many seniors are still active and prefer to live at home, look after themselves and make their own decisions.

With respect to seniors who wish to live together, one measure that I find very discriminatory is reducing old age security payments when seniors living in a residence decide to share an apartment with their spouse. Do you not think that more humanity, more generosity and less pettiness are in order?

In conclusion, I move, seconded by the hon. member for Châteauguay, that all the words after the word "that" be struck out and the following substituted:

"this House declines to give second reading reading to Bill C–54, An Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, because it does not provide a penalty under the Criminal Code for the disclosure of personal information concerning beneficiaries to persons who are not legally authorized to such information pursuant to Access to Privileged Information."

• (1055)

**The Acting Speaker (Mr. Kilger):** Hon. colleagues, there have been discussions, and the amendment is in order.

[*English*]

**Mrs. Diane Ablonczy (Calgary North, Ref.):** Mr. Speaker, as critic for human resources development I have some statements to make about the bill.

For the benefit of Canadians who are joining the debate by television, I would like to set out the purpose of the bill. It deals with major pieces of legislation involving enormous expenditures by the government. However the bill is not a major initiative. It is a piece of housekeeping and its purpose, according to the summary, is to improve services to clients to allow for more efficient program administration and to increase efficiency between programs in the case of old age security and the Canada pension plan.

It is almost exclusively concerned with amendments to the Old Age Security Act, that is the first 16 pages of the bill; with the CPP act which takes us through the first 30 pages of the bill; with the Children's Special Allowances Act which takes up a couple of pages; and with the Unemployment Insurance Act which takes up another couple of pages. These acts are housekeeping in nature but, as has been stated by my colleague from the Bloc, there are some policy considerations that should be brought out as we debate the piece of legislation.

The government speaker who spoke on the bill in the House this morning played rather heavily on the government's "commitment to seniors". Back in January the government introduced with much fanfare a review of our social security system. I will read from the terms of reference that were put forward to the House respecting that review: "that the Standing Committee on Human Resources Development be directed to consult broadly, to analyse and to make recommendations regarding the modernization and restructuring of Canada's social security system", and this is the operative part, "with particular reference to the needs of families with children, youth and working age adults".

Seniors are quite conspicuous by their absence from this mandate and review of the social security system. At the time the mandate was debated in the House I stood and proposed that it was deficient in that it ignored our social security system as it related to seniors. Seniors are some of the people most impacted by our social systems. OAS, CPP and health care are very much of concern to seniors. Yet their interests were ignored in the terms of reference for the review. Now the government stands and plays the violin about its commitment to seniors. That is a little hypocritical.

• (1100)

The bill does one thing for Canadians. It points out the enormous complexity of the legislation and administration of our social programs. This complexity catches Canadians in many ways and causes their lives to be a nightmare of forms, deadlines, red tape, information exchanges, letters, phone calls and all things that go along with an enormous state bureaucracy that is supposed to look after us but in fact does not do it very well.

After one year in office the Liberal answer to the need to address the substantive dysfunction of a lot of our social programs, and the concern that the services to Canadians are eroding and cannot be sustained, is to bring forth a bit of housekeeping legislation. That is simply not good enough for Canadians. We need to be serious about addressing our social programs.

I will talk about that in a moment but first I will address the concern about confidentiality. Canadians want to see some common sense in this area. For example, if a non–citizen, someone from another country, comes to Canada, decides to stay for reasons we can certainly well understand and makes applications as a refugee, that the individual is on welfare or some other social program cannot be disclosed to Canadians trying to evaluate which people should be allowed to come to our country and be accepted as citizens to help build our nation.

There are many areas where the concern about confidentiality interferes with efficient, effective and common sense administration of our own system. For example, if someone applies for benefits often it cannot be disclosed in other jurisdictions or to administrators of other programs. That is one of the reasons we have abuse, inefficiency and overlap.

We need to be very sensible when we address this area and not go overboard by suggesting that nobody, especially the system that is paying the bills, has a right to know what individual Canadians are receiving in benefits.

The real issue is not that we need a little tinkering with our programs, a little housekeeping legislation from time to time to try to smooth the bureaucratic wheels. As we know these programs are in far deeper trouble than that. What is really needed is a substantial review and reform of our income security programs and our social programs and that is what we are not receiving from the government.

The review taking place presently totally ignores all the programs of most concern to seniors. It totally ignores CPP. It totally ignores old age security. It totally ignores health care. Government says this is coming. Our social system is just that. It is a system. All these programs are interrelated. If changes are made to program *a it will impact on programs* b, c *and* d. That is the way it works. To do this piecemeal, to look at one program, then maybe another and a couple of years down the road we will get around to looking at the rest, is not the way to look in a coherent, effective and clear manner at how social programs should be administered.

• (1105)

A lot of people refer to the old saying: if it ain't broke don't fix it. Why are we looking at social programs? Why has the government brought in the review of social programs in Canada? It is fairly clear to everyone in the House and certainly to most Canadians why it is necessary. Although these programs are barely 30 years old, they are already unsustainable financially. They are not paying their own way. The cost of these programs is growing astronomically year by year and, worst of all, they have been largely financed on the backs of our children.

The bill for much of the spending on these programs which are so nice for us today is being handed to our children tomorrow. We are mortgaging our future so that we can have these programs. How long have we even had them? We have had them for 30 years. For 30 years we have impoverished our country and we are impoverishing our children so that we can have enormous benefits and an enormous bureaucracy to administer them. What have we accomplished? Very little as far as the long term benefit to the country is concerned.

Someone needs to stand and say this and do something about it. Canadians are looking to the government for leadership and for a good, common sense grappling with the issues facing us not just today but in the future. We do not see that happening.

We have a government that is continuing to say mortgaging our country to the tune of $100 billion during its term in office is okay. It will celebrate if that is all it does: if it only puts us in the hole by $25 billion a year it has done a great job for us! Canadians will beg to differ and certainly our children will beg to differ.

Seniors are at risk unless something is done. This is why many seniors are dependent upon pension benefits they have counted on to sustain them in their retirement years. It is very clear from anybody looking at these programs that in coming years our seniors will be sadly disappointed.

In just 15 short years we will have 40 per cent more retired Canadians than we have today. That is a huge increase. These Canadians will be looking for old age security payments. They will be looking for Canada pension plan payments. They will be looking to the health care system to make sure that their increased medical needs are covered and looked after.

Yet what is happening? These programs are costing more and more money. They are increasing the debt burden on our country

and are in serious trouble by any standard. Yet there has been no substantial, serious or urgent look at the situation.

If we look at the Canada pension plan into which people like me faithfully and without any free will on the matter paid for so many years of our working lives, we see that the premiums to sustain the program have already had to rise. By the most moderate analysis they will be rising to at least 13 per cent by the time the next generation is paying our pensions. Some analysts suggest that the burden on future workers and taxpayers could be as high as 16 per cent. This off the top payment, even if it were only 10 per cent, will be in addition to the enormous yearly interest that will have to be paid on the money that we borrowed and to the payment for all the other programs we will be using.

Do we seriously think the taxpayer of the future, in addition to paying the interest, paying for all the other programs to sustain society, trying to keep their lives together and building businesses and professional lives are going to pay an additional 10 per cent, 13 per cent or 16 per cent off the top so that you and I, Mr. Speaker, can have the Canada pension plan? That is not going to happen.

The future taxpayer will rise up in revolt and say that we are the guys that got them into the mess and if we think they are going to pay that much money off the top of their earnings in addition to everything else so we can have Canada pension fund benefits, we can think again; it is not going to happen. I can scarcely blame them.

• (1110)

Somebody has to get serious about the situation. Just going along with it and saying "don't worry, be happy; it will all work out" is not good enough.

The future taxpayer will have to pay billions and billions of dollars every year in interest on what we have borrowed. This year, for example, we are having to dig into our pockets for at least $40 billion—and it looks like it will be $44 billion—to pay interest on money the Liberal and Conservative governments have borrowed in the last 25 years. In 25 years they have managed to extract from our economy an obligation for $44 billion, and that is $44 billion that cannot be used for old age security, Canada pension plan, health care and all other programs we desperately need.

That interest obligation is rising. The government is going to think it is doing us all a favour if it only rises by another $5 billion or $6 billion every year due to its feeble stewardship over the next four years of its mandate.

We cannot continue to impoverish our future by not getting a grip on the issue today. We simply have to say we cannot continue to obligate our children to take $40 billion or $50 billion every year out of our economy, out of their hard earned pay, out of our economic activity, because we did not have the courage and the good sense to do what is right: to live within our means and pay our own way.

These programs have to be reorganized so that the people who really need them can count on them in the future. They have to be reorganized so that the state does not continue to have this enormous inefficient and ineffective bureaucratic growth, saying that it is going to look after us when it is abundantly clear that even at great cost, great inefficiency and great numbers of bureaucrats and administrative tribunals, it is simply not working and will not continue to work.

Last of all, we need to ensure these programs will be something we can continue to count on and pay for into the future. That is absolutely essential. It is a cruel deception for the government to tell Canadians it is looking after things, that everything is all right and that it is going to reward seniors who have invested in the country by making sure they get the programs. The government's inaction is virtually ensuring that our seniors will not be getting these programs, even in the foreseeable future as numbers of seniors rise.

I urge the House today not to look just at housekeeping legislation and a few little administrative changes to help a few people caught in the bureaucratic jungle. That is good; that is nice. However the answer is not to tinker with the programs. The answer is to look at the whole system that we have set up, all the structure that is not working after a mere 30 years or sometimes less, and have the courage, the vision and the leadership to get a grip on the situation and turn it around so that all Canadians can feel secure and confident that when they need help it will be there; otherwise the government will keep its hand out of their pockets and its nose out of their business.

[*Translation*]

**The Acting Speaker (Mr. Kilger):** We have now moved to the next stage of the debate and from now on, pursuant to Standing Order 74, members will be allowed to make 20–minute speeches, subject to a 10–minute question and comment period.

Resuming debate. The hon. Parliamentary Secretary to the Solicitor General.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib):** Mr. Speaker, I rise in this House today to speak to the bill before us. I want to emphasize a specific aspect of the bill, namely the proposed amendments to the Old Age Security Act, the Canada Pension Plan, and the Unemployment Insurance Act. These amendments are intended to advance the cause of social justice in this country.

The proposed enactments would allow the government to disclose information to the Commissioner of the RCMP for the sole purpose of facilitating investigations, prosecutions and

extradition activities in relation to individuals suspected of having committed war crimes or crimes against humanity.

• (1115)

The existing OAS and RPC legislation does not allow us to disclose privileged information, unless the person in question has been charged formally. Regarding unemployment insurance, the present legislation prohibits the disclosure of certain information, but does not prescribe the type of information that can be released in other instances to facilitate investigations.

The amendments contained in this bill will standardize the circumstances under which information can be communicated to the RCMP regarding the three programs I mentioned.

Mr. Speaker, I would like to draw your attention to the fact that, with the new legislation, the Commissioner of the RCMP, the Minister of Justice and the Attorney General of Canada are the three persons to whom the information could be made available. It would be strictly forbidden, under any circumstances, to disclose information concerning any beneficiary to a foreign organization.

In 1985, the federal government instituted the Commission of Inquiry on War Criminals, presided by the hon. Justice Deschênes. The commission tabled its report in the House of Commons in March of 1987. It recommended that the RCMP and the Department of Justice work together to investigate war crimes that were said to have been committed between 1939 and 1945, that is to say during the last World War.

The report also contained a list of people presumed to be war criminals living in Canada. Both the RCMP and the Department of Justice worked hard to find and charge these people. Unfortunately, this was no easy task. Despite the considerable resources invested by Canada and 17 other countries, the RCMP was unable to find many of those suspected of war crimes or crimes against humanity. The lack of information is, of course, the main reason behind this lack of success.

Furthermore, efforts to obtain relevant information overseas were compromised since the information was destroyed. Although such information exists in Canada, it is more often than not impossible to access because of the restrictions imposed, not to make war criminals untouchable but to protect the legitimate rights of honest Canadians.

[*English*]

Given the age of the individuals in question, the clientele of the OAS and the CPP programs, the databases for these programs are clearly a valuable source of information for locating and identifying persons alleged to have committed war crimes. A first step toward providing access to this information was taken in 1992 when the legislation for OAS and CPP was amended to allow the release of confidential information where a criminal charge had been laid.

However the loosening up of the existing restrictions did not prove to be all that helpful to investigators since a charge cannot be laid if the RCMP is not certain that the suspect is in fact a war criminal. Unfortunately the needed information to establish this can only be released after a charge has been laid.

There are two types of information belonging to the unemployment insurance program which could be of value to investigators. The first type is the information given by the persons receiving unemployment insurance benefits. Given the ages of the suspected war criminals few of them are likely to still be in the labour force let alone collecting unemployment insurance. However, there may be exceptions and providing the RCMP access to UI client information could in fact provide the missing link needed in a few cases.

This type of information will be of valuable assistance in the investigation of modern war crimes and crimes against humanity. As well it would mean that all beneficiary information under the jurisdiction of the Ministry of Human Resources Development would be treated in essentially the same way for war crimes investigations.

• (1120)

It is also important to emphasize that providing access to client information in this one instance does not mean the government is taking its responsibility to safeguard client information any less seriously. OAS, CPP and UI privacy provisions have always been deliberately restrictive because of the nature of the information collected. Public servants who administer these programs are required to collect personal information from millions of Canadians in order to manage these programs.

**Mr. Silye:** Mr. Speaker, on a point of order. This is a very important debate, so I would like to call a quorum please.

**The Acting Speaker (Mr. Kilger):** I see a quorum. Resuming debate.

**Mr. Gagnon:** Mr. Speaker, this is indeed a very important debate. I should also advise hon. members opposite that this government takes its work very seriously. I am also informed there are 15 committees taking place today on a variety of subjects.

I would like to continue my speech.

**An hon. member:** We want your views.

**Mr. Gagnon:** I will give you some views later on.

**The Acting Speaker (Mr. Kilger):** Order. With the greatest respect to all my colleagues on both sides of the House, please direct all your interventions through the Chair so that we might

continue to have the usual customary respectful debate we are accustomed to in this House.

**Mr. Gagnon:** Mr. Speaker, public servants who administer these programs are required to collect personal information from millions of Canadians in order to manage these programs. It would be a tremendous administrative obstacle if clients refused to give officials of the Department of Human Resources Development personal information because they feared this information would not be adequately protected. Confidentiality provisions were made as restrictive as they are to protect Canadians from unwelcome intrusions.

However, Canadians are also concerned about criminals who have entered Canada and may be living in their midst. While Canadians value their privacy they also want justice.

[*Translation*]

Finally, there remains another amendment that I would like to explain to all members of the House. It is the amendment to the Old Age Security Act and the Canada Pension Plan, which results from another amendment that has been proposed by the Solicitor General.

This amendment would allow the Department of Human Resources Development to provide information on OAS and CPP benefits now paid to prison inmates. This must surely be of interest to Reform Party members.

The goal is to deduct housing and feeding costs from these inmates' income. The Solicitor General could then receive from the Department of Human Resources Development accurate information on inmates' income so he can make reasonable deductions.

Is it right that inmates are housed and fed for free and that they can accumulate income from federal benefits which are, of course, eventually paid for by the government and by Canadian taxpayers? I do not think so. Pensioners who are not criminals must pay their own housing and other costs. To ensure a minimum level of fairness and responsibility, the same principle should apply to prison inmates, especially if they also receive federal benefits.

In conclusion, I hope that my explanations have helped to establish the validity of some of the amendments in this bill and that all members now have the information they need to explain in turn these amendments to their constituents.

**Mr. Gilbert Fillion (Chicoutimi, B.Q.):** Mr. Speaker, the hon. member opposite is of course in favour of the bill and is telling us now that he supports it mainly for the sake of social justice. I wonder, Mr. Speaker.

• (1125)

The confidential information that he praised and which would be made available to the RCMP would just be a tool to expose some cheaters of unemployment insurance or in other areas.

The bill as presented does not contain enough measures to limit it to that. Knowing the way RCMP officers work, we noticed in past years that they used these famous lists to do their work, although this information was not available. We need only recall the Parti Quebecois's membership list. The RCMP tried to obtain a copy and then tried to see if members on that list were breaking certain laws.

So I ask the hon. member the following question: Does this bill in its present form guarantee us that the information which will be made available to the RCMP will be used only by that force and not for other unintended purposes?

**Mr. Gagnon:** Mr. Speaker, I think that a long time has passed since the unfortunate events of the 1970s; however, I can assure him that, under the terms of the law as proposed, we will ensure the confidentiality of information on Canadians. Nevertheless, we should still take into account the presence of some war criminals, or at least consider certain crimes against humanity that they committed. Of course, I referred to the period from 1939 to 1945, but we must still understand that others who took part in wars which are still going on, be it in Yugoslavia or Somalia or elsewhere in the world, committed crimes which are as atrocious as those committed from 1939 to 1945 for which people were charged.

Unfortunately, such people try to enter Canada and settle among us, and I believe that it is the duty of the RCMP, the Government of Canada and all hon. members here in this House to denounce the presence of any war criminals in this country.

[*English*]

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I am a few years away from becoming a senior. The hon. member is many more years away from becoming a senior; it is way out there in front of him as he points out.

Based on the hon. member's age and notwithstanding the contributions he is making to the Canada pension plan now, all of us know there is an unfunded liability there that we are not currently accounting for that we are all paying. Knowing that, does he believe there will be sufficient funds in the account? Does he believe that future generations will be able to make the size of premium payments required for this hon. member to receive his CPP when he reaches the age of 65, whether or not he elects to get it at an earlier age? If he does not believe that, what does he think this government should do about it?

The other issue I would like to touch upon is a little closer to my heart. There is another fund that we look after in our social programs. We in the Reform Party, as do government members—they have said it often enough—care about the truly needy. We care about providing services, funding and facilities for those people who really and truly need it. The problem in our government today however is that we have not spent enough time and effort to establish where that line is, or the grey area where it is, so that we can start helping those people.

• (1130)

OAS is an unfunded program currently which nobody since 1971 has paid into. I would like the hon. member, based on his youthful experience, to say whether he believes that 25 years from now or 35 years from now, whenever he reaches the age of 65, he should receive $386 per month as his reward for becoming 65. If he does not need it, should he receive that money? If his income is below a household average or a certain minimum income level, then I believe we all should get it should we be so unfortunate, the two of us, that when we are 65 we need that help.

These two questions are meant to be serious questions. I am not playing games here. These are two issues that play hard on my mind. I am grappling with them and I want to come up with some solutions.

Would this member tell me whether there will be money there for CPP, and does he feel an entitlement to his OAS payments when he reaches 65?

**Mr. Gagnon:** Mr. Speaker, of course the hon. member is raising a very pertinent question on the state of finances in Canada. We know we have a high deficit. We are facing problems, but we are also facing challenges.

One has to keep in mind that the whole idea of the projet de loi is to try to find solutions, to bring Canadians back into the workforce, putting them back to work. Much has to be done in terms of training and retraining. Much has to be done in terms of trying to free up capital for small businesses.

Just the other day there was a report that was brought to the attention of hon. members as a result of which we are going to be asking banks to put up some money to try to encourage small businesses and free enterprise and to go on to try to create jobs throughout Canada. Much can be done with small employers.

Of course the Canada today is not that of the year of my birth, 1962. Things have changed. Things will keep on changing. However, as long as we look into other venues in trying to encourage investment, foreign investment, trying to free up capital for small companies and corporations, I am sure that we will surmount these obstacles and that there will be money available for all Canadians in the years to come.

**Mr. Silye:** Mr. Speaker, with all due respect, I had overestimated the member's age. Now that I know his age I would like to ask him again whether he feels there will be sufficient moneys in CPP. The CPP question he did answer. He feels there will be. On the OAS, the second question I asked, does he feel an entitlement to receive whatever the monthly payment may be in the future just because he reaches age 65 should he be above the minimum wage?

**Mr. Gagnon:** Mr. Speaker, I am a Liberal and as a Canadian as well I should add that I believe in the concept of universality in different programs that are given to all Canadians. That is one of the hallmarks of this federation, that we recognize the fact that all Canadians should be treated equally.

However, trying to answer a hypothetical question as posed by the Reform Party would be like asking one of my predecessors elected in 1962 whether he foresees the election of the Reform Party and the Bloc Quebecois 32 years down the road. It is very difficult to make those kinds of assumptions that moneys will not be there.

The economy is evolving and changes are taking place. Of course, our government is taking charge of our finances. The Minister of Finance is doing a commendable job. We have to keep in mind that also our Minister of Human Resources Development wants to consult Canadians. That is one of the reasons why we are out there asking Canadians to put something into the system.

We want to consult them and I am sure we are going to get all kinds of proposals and solutions outside this Parliament which we do not regrettably receive from the opposition benches.

• (1135)

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it is my pleasure today to rise and address this bill, but I also wish to address the larger debate that is going on across the country and really the one that has been going on this morning and that is with respect to the social program review that is currently under way.

To have a good understanding of the social program review I think it is very important that we go back and look at the genesis of this idea and the genesis of the debate. Probably the first thing we should do is point out that during the last election campaign the Liberals across the way did not even mention social program reform as an issue. It was as though it did not exist.

There was an interesting article in the Ottawa *Citizen* from October 14:

> During the election, then Prime Minister Kim Campbell stepped on a land mine by declaring a campaign was the "worst possible time" to discuss social policy reform. Jean Chrétien criticized her heavily and tiptoed around the same land mine with the following assurance: "I say that the programs are there and they will remain the same—".

That was a year ago. That is the type of double talk that the Prime Minister used to accuse the Conservatives of using.

The article goes on, quoting the Prime Minister:

> "The plan of the party is clear. The social safety net that we have in Canada will remain."
>
> The Liberal's election bible, the red book, made no reference to a major review of social programs or even whether one might be necessary.

I would like to contrast that with how the Reform Party addressed this issue which was to address it head on, recognizing that fiscal problems in this country are directly linked to social policy because social programs eat up almost $80 billion a year and we cannot tackle fiscal problems without making some cuts in social programs.

However, I point out that the approach we took was to start cutting at the top first before we got to social programs. We said that Canadians demand leadership by example. They want to see cuts to the cost of Parliament. They want to see MPs' pensions done away with in the current form. They are concerned with overlap between not only federal and provincial government but also between different departments within the federal government. They want to see subsidies to business and special interest groups trimmed. We would then take a look at social programs in conjunction with the people of Canada.

What we found out in the days and months leading up to the election was that people did believe that there had to be cuts made there in order to achieve a balanced budget which even now the finance minister is beginning to recognize in this country. Hopefully it is not too late.

What we said is that people place a very high priority on maintaining spending for health care in this country and we agreed. We said that health care spending should be maintained. However, we should respect the authority of the provinces and their jurisdiction under the Constitution to have control over health care.

The other thing that people told us was very important to them was maintaining funding for post–secondary education. We proposed various ideas to make that even more effective but maintain the funding.

Some of the other areas where people felt there could be some cuts and changes made were unemployment insurance; a proposal to make unemployment insurance a true insurance program based on the idea that employers and employees who fund the program, who put the money in, should have control over it. In other words, we were proposing to empower individuals to have control over their own lives and create the type of insurance system that would be truly responsive to their needs. They would set the eligibility requirements, the premiums and the benefits. That I will refer to in a little more detail further down the road.

Let us fast forward now to the throne speech of January of 1994, to the budget and to the announcement that there would be a social program review. I think it was January 31 if memory serves. The hon. member from across the way is nodding his head.

• (1140)

On that day it was announced that there would be a social program review and that there would be a final report to the House with recommendations and, I believe, legislation this fall. That has now gone way off track but we will get into that in a moment.

Let us go back to what the budget speech and budget documents were saying about the social program review. On the issue of social security reform, I quote from one of the documents: "The standing committee will seek the views of Canadians on issues and objectives until April. The minister will then table a federal action plan and the standing committee will conduct public hearings on it until September and report in October. As well, federal–provincial territorial activities will take place during this period. The government will table reform legislation in the fall".

It also addressed how it would tackle some of the other social policy areas that are not actually in the social security review right now, things like health care, old age security and Canada pension plan.

For some reason these were not included in a package together and I find that odd because they are inextricably linked and I think we will see if we look at the current green paper that there are contradictions perhaps or at least we are putting the cart before the horse in some cases. For instance, in the green paper there is a reference to unemployed people using RRSPs so that they can get themselves through a period of unemployment.

On the other hand we have not even addressed the issue of Canada's old age security and Canada pension plan yet and what is going to happen with that. Meanwhile the government is floating trial balloons on RRSP taxation and things like that. That is well ahead of any paper that is coming down on the future Canada pension plan and old age security.

Right from the get go the government made a grave error when it did not look at these different areas together.

The idea of the social program reform was to find out what kind of ideas there were out there so we could do two things, make social programs more efficient and save some money.

The government denied that was really the case initially. It wanted to leave us with the impression that this was really an effort to make things more efficient and help people get off unemployment and that kind of thing. Running through this was a growing awareness, certainly from the finance minister if not from the rest of the cabinet, that cuts were going to have to come

in the next federal budget and that we could not go on spending as much money as we have been spending in this country.

Once the social program review was launched there were delays. There were problems right off the bat. There were patronage appointments made to the task force, people being paid big per diems. More delays came along. The thing floundered.

People really wanted to see the social program review succeed. Canadians have been talking about the need for social program review for 10, 12, 15 years and they want this government to succeed. They want it to do well because they know that their interests are at stake. They grew concerned and I would argue that those concerns continue to grow today.

Not only was this program review put on hold continually much to the chagrin of Canadians, but on the eve of the release of the long awaited green paper there was a revelation in the Toronto *Star* that the social program reform was going to include big cuts, $7.5 billion worth, even though the government had given Canadians the impression that they would be consulted in this before any types of cuts were actually considered.

On the other hand, I am certain there was a printing mistake. When the green paper was released there were no figures at all in it. In other words, Canadians were being asked to choose among all these different programs without knowing how much they would cost and what the costs of the various alternatives were. Obviously that was a mistake, a printing mistake I am certain, because no government would ever put forward a list of proposals without having something so critical in it as the cost of the actual programs.

• (1145)

Every day Canadians make decisions on all kinds of issues. Chief among them I can guarantee is how much they cost, because they know they have to live within their means. Somehow this escapes the government.

Also missing from the various options were many of the options put before the government during the period that led up to the actual presentation of the document in the House. I sat in on some of the HRD meetings and heard some of the presentations that were given. I remember sitting in a committee meeting suggesting that the studies and inquiries from past royal commissions should become part of the official body of information that the government refers to when it is considering the options.

I mentioned specifically the Forget commission report. It talked for instance about unemployment insurance and returning it to the employers and the employees, the people who fund it. That was rejected by the committee because the Liberal majority voted against it for reasons that escape me. There were members who spoke in favour of it. When the whip was cracked they all voted against the proposal. I invite the hon. parliamentary secretary to review the record.

Not all of the various options are in the paper. That is unfortunate because Canadians should have a chance to look at some of the other options that were put before the committee.

Initially this document was put forward as an action plan. That was the wording of the motion. It said—I think on January 31—that the government would be tabling an action plan in the days and weeks to come. Somehow over the course of the last several months the action plan became watered down and diluted to the point where it became a discussion paper.

In other words the minister who has the power to call to heel armies of bureaucrats and all kinds of minions to gather all the wisdom in the country about social policy reform, after all that time, money and the thousands of hours that were spent on it, brought forward a little green pamphlet with scarcely any action at all or any call for action, but merely a few of the options of the many that were discussed. That was a real shame.

We are now in a situation in which other groups around the country have come forward and said: "We have some ideas that the government for some reason did not want to consider".

I point to the Kierans–Robson report from the C.D. Howe Institute in which not only did they come out with options, but they came out with costs. They said: "We will tell you how much money we are going to cut from some of these areas".

These are not what I am suggesting, but they should be in the debate. On the topic of unemployment insurance they suggest that unemployment insurance should be converted into true insurance; there should be a proposal to eliminate regional differences in qualifying periods and benefits and we should eliminate all regional and non–insurance components. The savings from that would be $5.5 billion. They were not ashamed to suggest there would be some savings there.

Under the Canada assistance plan they suggested that we eliminate and divert $2.5 billion to a new child tax credit to low income households. The total savings on that would be $4.9 billion.

They talked about health care, which is something the government has been reluctant to discuss, or at least they are having trouble getting the provinces to come to the table. At this very moment the Prime Minister is delivering a speech to an empty assembly of people called for the health care forum. Not only were the health care ministers from across the country invited and did not show up, but the premiers were invited by the Prime Minister himself. They refused to come for two reasons: first, they know that under the Constitution this is their jurisdiction; second, they resent that although they are the senior partners in this arrangement and they pay the lion's share of the cost for health care—almost double what the federal government pays—the federal government is attempting to set the agenda. It has made a grave error in this. There are other areas including social program reform, GST reform and interprovincial trade barriers where it has made the same errors.

• (1150)

**Mr. Breitkreuz (Yorkton—Melville, Ref.):** They would not even let them co–chair the proceedings.

**Mr. Solberg:** The government would not even let them co–chair the proceedings, Mr. Speaker, as my hon. friend points out.

Suffice it to say there are many problems with the green paper. It has been roundly criticized by the media, by the provinces, and by the many special interest groups that were funded by the government to come and appear before them but by Canadians themselves.

Reform's zero–three program really led the way. Lately we have had proposals from Tom Courchene who actually appeared before the committee. The hon. member from Winnipeg across the way was there when he appeared. He made an excellent presentation. I guess he did not find any of his proposals in the green paper so he felt it was necessary to bring out his own. It is now in the arena of public debate. Hopefully the government will see fit to include it in its area of debate as well and will consider some of Mr. Courchene's ideas.

The government has another problem. We are rapidly approaching the end of 1994. It has delayed again the time when it will call for the reporting deadline on this issue to February 6, 1995. We have moved from getting this into legislation this fall. Possibly when we consider the time it takes to draft legislation and for it to pass through various readings in the House and committee, it is quite conceivable that it will be well into 1996 before it actually becomes legislation, if that is what the government decides to do.

It will probably be a year, perhaps a year and a half, before the next election if the government holds an election within four years. That concerns me. It is a well known fact that governments very often fail at the last moment, at the critical point, when they are faced with going before the electorate, particularly when they are talking about making deep cuts to something that Canadians value like social programs.

I am concerned about that. This issue is inextricably intertwined with the whole issue of fiscal responsibility and the huge problems we face because of overspending by this Liberal government and the Conservative governments that went before.

We have a deficit of $40 billion. We have a debt approaching $535 billion. Soon international lenders are going to get fed up. They are going to say that they have had enough and want to find a place where their investment will be safe.

I am concerned the government across the way has not realized that. It does not understand the urgency. While the finance minister may realize it, I think the Prime Minister has failed to grasp it, as has the human resources development minister.

I urge the government to come to grips with the seriousness of the situation, to take another look at its social program reform and to move ahead with serious cuts in the very near future for the sake of all Canadians.

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I paid attention to the hon. member's speech.

I thought we were debating the redesign of the ISP. I want to ask the hon. member if he has any opinions on some concrete examples that would improve services for seniors because this is what the bill is about.

For example, it will only take half a day to process a simple OAS application which now takes around seven days to do. Processing time for an application for Canada pension plan benefits will drop from 13 days to one day. Telephone service will be improved so that 97 per cent of all telephone calls will get answered. Today only about 50 per cent get answered. Seniors will be able to make changes to information such as change of address over the telephone using a touch tone system. For clients who prefer personal service or who do not have a touch tone phone, staff will be available to answer their questions quickly.

• (1155)

These are real, positive changes that have an impact on the lives of seniors on an every day basis. The hon. member should be addressing issues that we deal with in this bill. However he has taken the opportunity to expand and talk about the social security review. The reality is that the government has been the first one in a long time that has had the courage to face up to some very difficult challenges and choices we have to make as a nation.

Thirteen per cent of the people in Canada are unemployed for a year or longer. Long term unemployment has increased three times since 1976. When 40 per cent of these people are faced with structural unemployment and 30 per cent of Canadians have problems with literacy and numeracy skills, one has to admit we have to move toward building a better and more efficient social security system that; first, helps Canadians get jobs and keep jobs; second, would help the most vulnerable and; third, is sustainable.

Another flaw in the speech delivered by the hon. member deals with the red book. I do not expect the hon. member to read the red book, among other books which he has not read. If he was to read the red book very carefully he will find these references. I want to cite them to the hon. member because I know he will be engaged in the social security debate. I am sure he does not want to give misinformation to Canadians.

If the hon. member would read page 16 he will find the red book commitment:

> A Liberal government will adopt a series of measures to put Canadians back to work and foster economic growth.

Page 21:

> It is our goal to help people on social assistance who are able to work, to move from dependence to full participation in the economic and social life of Canada.

Page 22:

> A Liberal government will work with all the provinces to use established funding mechanisms such as CAP in more innovative ways in order to move from passive to active support of people in need.

Other pages deal with issues we are dealing with in the social security review. It seems to me that the hon. member must take the time to read the red book, to read the green book, and in a very honest way also tell Canadians where the Reform Party is going to cut $15 billion.

**Mr. Solberg:** Mr. Speaker, I thank the hon. parliamentary secretary for his series of questions. He has touched on a number of issues and on this bill in particular. I commend the government if it is trying to improve services. Obviously we have to do that.

However, as the hon. member for Calgary North pointed out it is kind of like polishing the chrome when the transmission is going. The big issue before the country today is social program reform. It is one of the huge issues. Let us not debate whether answering the phone sooner is a good thing. Of course it is. We all know that answering the phone and providing faster service for seniors is important. We understand that.

By pulling out vague references to discussion about social program reform or about minor aspects of social program reform, it does not follow that the government made any kind of commitment in the red book to deal with this problem in a serious way.

The government downplayed the whole issue during the election campaign. It downplayed the seriousness of the debt situation to the point where a year after it came into power it is just now beginning to realize how seriously we are in debt in this country. Not because it wants to but because international investors have told them: "Get your act together or we are going to start to move our money out of the country". It is that simple. It is not because it somehow saw this ahead of time and put together a big task force and went to Canadians.

With all due respect to the parliamentary secretary, if he had referred to our zero and three plan, of which we distributed millions of copies during the election campaign, he would know we talked about our changes to social program reform. They are on the public record. In fact this spring we gave the finance minister a list of $20 billion in proposed cuts for the government to use in its efforts to get the deficit and debt under control. I offer that to the parliamentary secretary for him to look at.

• (1200)

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, B.Q.):** Mr. Speaker, I have a question for the hon. member, which relates more to the human aspect of this bill.

When reading the amendment we proposed, one realizes that the bill really does little to protect those it covers against possible undue solicitation. I refer, for example, to the fact that the person giving unauthorized sources access to a beneficiary's personal information, for commercial purposes, telemarketing or whatever, would not be liable to prosecution under the Criminal Code. This would open up quite a window of opportunity to those wanting to take advantage of clients who might be more vulnerable to such an approach.

Does the hon. member not fear that, if we adopt this bill, we might create another situation like the one we now face under the Unemployment Insurance Act, concerning the entitlement of related people working for the same employer, for example, and where there is something akin to harassment from Revenue Canada? In these cases, studies and inquiries might be more justified, but in others, they may not be. One thing is certain, this is time-consuming.

Does the hon. member not think that this bill, as presented, might subject the elderly to the difficult situation that UI recipients are now facing? Second, as I said, will we not be subjecting the elderly to a series of solicitations, due to the fact that some people could have a financial interest in communicating the lists of those concerned by the legislation?

[*English*]

**Mr. Solberg:** Mr. Speaker, I apologize to the hon. member. I missed the first part of what he was saying but he spoke largely on the aspect of confidentiality. There is no question in my mind that is something we have to be careful of.

Obviously this country has a long history of trying to keep records of a personal nature confidential. I point to the problems that can occur when those things get out. In fact if memory serves, in Ontario a provincial minister resigned over that issue. There is no question that is something we have to be cautious of. It is an area I think the hon. member knows more about than I do. Having said those things I will leave it at that.

**Mr. Roger Gallaway (Sarnia—Lambton, Lib.):** Mr. Speaker, I want to speak to the specific issue before the House which

is Bill C–54. For that reason I want to take the opportunity to summarize the amendments and the purpose for them.

As we have heard from some during the course of this debate, these amendments do not reflect major policy initiatives. Instead, this bill deals with the improvements required to the affected acts to improve client service and administration.

Undoubtedly, the most significant of the changes is the amendment to the Old Age Security Act which will grant the Minister of Human Resources Development the discretion to waive renewable applications for guaranteed income supplements and spouse's allowance recipients. This is an obvious example of improved client service. It will make it possible in the future to reduce the paper burden for many seniors and reduce the number of seniors who do not receive their income supplements on time because they are late filing their renewal applications.

Next, are the changes to the old age security appeal system which will allow for a more efficient and effective appeal for those clients who are dissatisfied with a decision under the OAS Act. This new system should result in fewer decisions having to be appealed to the courts. It should allow clients to see a resolution to their appeals more quickly.

Another important group of amendments deal with expanded information disclosure. These amendments which affect all four acts being amended by Bill C–54 will improve co–ordination and administration of programs that are, out of necessity, becoming more interdependent.

• (1205)

For the first time as well important client databanks could be used to assist in investigations, prosecutions and extradition activities in relation to war crimes and crimes against humanity. Because of the restrictions on the circumstances under which such information can be released clients can still be assured of the government's commitment to protect personal information.

Also included in this group is an amendment which allows the Correctional Services Canada to have limited information about OAS and CPP benefits that are paid to inmates in federal institutions.

The next amendment I would like to address is the reintroduction of 12 months of retroactive benefits for those Canada pension plan retirement beneficiaries who apply after their 65th birthday. This will equal the retroactivity period for the old age security benefits as well as for other benefits provided under the Canada pension plan.

Also of significance to the fair and equitable treatment of pensioners is the amendment which would give the minister discretion to waive old age security overpayments that are caused by errors on the part of the department. This amendment mirrors a provision currently in the Canada pension plan and ensures that clients are not financially responsible for errors over which they have no control.

That summarizes what in my mind are the major amendments included in Bill C–54, but there are also a number of minor amendments of which I want to make mention. In some of these more minor amendments we really see the subtle changes that can be made to improve the way we do business in government. These improvements translate to better service to those persons affected by government legislation, in other words, to all of us at some point during our lives.

For instance, any employee in the Department of Human Resources Development involved in the administration of one of the acts will be able to take statutory declarations and affirmations not only for these programs but for other federal and provincial departments. This will save clients from having to go to more than one office for these services as now happens.

In addition, the OAS and CPP acts will allow for municipalities to be reimbursed directly for assistance that they provide to a benefit applicant while their application is being adjudicated. Currently the acts only permit for reimbursement to a provincial government which means that the province then has to reimburse the municipality. Removing the middle man, if that is what you want to refer to it as being, will certainly streamline administration.

Old age security and Canada pension plan clients will also be well served by an amendment to the administrative error and erroneous advice provisions. It would no longer be necessary for the client to complain in writing before the minister could take corrective action in cases where the department has made an error. Without this amendment the department cannot legally take corrective action when it finds that a client has lost benefit entitlement because of an error made by an employee. The client is required to contact the minister in writing before such errors are corrected.

This provision was not fair nor did it recognize the complexity of the legislation. Clients should not be expected to always realize when an error has been made. Now both sides, either the client or the administration, can be the catalyst which prompts corrective action.

Under the Old Age Security Act benefit overpayments can only be collected if the overpayment occurred in the last two years. This time limit is being removed to ensure that clients are not receiving benefits to which they are not entitled. It is only reasonable that a debt should not be waived just because of a certain length of time has past.

As we all know, the government as a whole must ensure that scarce financial resources go to those individuals for whom they are intended. There will be those individuals for whom repayment would cause hardship. This is already taken care of through a provision in the Old Age Security Act which gives the minister the authority to waive overpayments in certain circum-

stances. Only those individuals who can repay benefits are asked to do so.

I certainly have not covered all of the amendments. However I have summarized those that I feel will have the most significant impact on our pensioner population. I feel that this bill is a step in the right direction and that clients are the beneficiaries of the changes. As I am sure we are all aware, there is more that we can do and will be done as the efforts to improve the machinery of government move along.

I look forward to seeing further improvements in the not too distant future.

• (1210)

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I listened with interest to the member's comments on Bill C–54 which is before us today. He is talking about very technical but really minor housekeeping items to the social programs.

I am not sure if we can tackle this minor housekeeping with a whiskbroom. A farmer once said that after the cows have been in the barn for a long time, you cannot use a whiskbroom; sometimes you need to use a front end loader to clean up the mess. Maybe that is what we should be looking at today.

The member talked about old age security. The Reform Party has put forward proposals on several occasions during the election campaign and in this House regarding old age security. It has made some recommendations and shown actual savings in the area of $3.5 billion, keeping in mind that we feel very strongly that the program should be directed to those most in need in this country.

Can the member give us a specific example of what he thinks would be a way we could actually show some savings with that program?

**Mr. Gallaway: Mr. Speaker, I am quite interested that a member from the west of Canada would talk about whiskbrooms. I guess he knows more about farming.**

I am also quite surprised with the observations made by the speaker in the sense that he feels that in some ways this is a trite and insignificant piece of legislation. I am surprised this would come from a member opposite who in the party sense is always suggesting they are the ones who can discern in their wisdom what people are thinking.

I can safely tell the member opposite that despite what he feels about the triteness of this if he would follow what happens in his constituency office he would find that this delivery of service is a major factor. It is of great concern to seniors. To suggest that in some way dealing with this problem is using a whiskbroom when he would use some other farm device I find quite surprising.

I would ask him to consult with the seniors with whom he deals. I would ask him perhaps to have one of these consultation processes with the seniors whom he serves. I think he would find they would welcome these changes.

In dealing with government bureaucracy, and we all acknowledge there is a certain element, a continuum of bureaucracy, I think he will find that his constituent base will welcome these types of changes. The seniors are going to welcome the streamlining and flattening of the process somewhat and empowering those who make the decisions and collapsing the vertical portion of the system.

We are talking about the delivery of service to primarily a senior base. In the past, the have found the operation of the system to be very frustrating.

**Mr. Hart:** Mr. Speaker, I thank the member very much for not answering my question.

The interesting thing is that my riding of Okanagan—Similkameen—Merritt, has one of the highest percentages of senior citizens in the country. The hon. member should study that and pay attention to when the west speaks, because we do know what we are speaking of.

The hon. member spoke of consultation. No other party in this House has spent more time in consulting with the people of Canada than the Reform Party of Canada. Recently I held a series of townhall meetings in my riding. These are not just townhall meetings where we go out and speak; they are interactive workshops where people participate back and forth. In these series of meetings we identified the deficit and debt as the number one enemy in Canada right now.

• (1215)

We are looking at a social program system that spends some $80 billion a year. We are looking at interest payments of $40 billion to $44 billion a year. That is what is robbing the social safety net. I support some of the items in the bill wholeheartedly. I can say that we have to improve on the administration but I want specifics.

I will ask the member the same question. What can he and his party suggest that will save some money on social programs, specifically old age security?

**Mr. Gallaway:** Mr. Speaker, I find it very interesting that the hon. member is on the cutting edge of consultation. Once again it would appear that members opposite are the only ones who in some way, as I stated earlier, are able to discern what the public wishes.

He stated that during recent townhall meetings in the west the number one issue was the debt and the deficit. At the same time

members opposite stated that during the election. This party on this side of the House dealt with that during the election and the finance minister is dealing with it now.

In terms of identifying issues I do not think members on that side of the House are in some way on the cutting edge of knowing what Canadians are thinking. I would agree to an extent that they may know what is going on in certain very limited regional areas of the west, but I do not think that in the mainstream of Canada they are able to discern what is on the minds of Canadians.

**Mr. Hart:** Mr. Speaker, I remind the member that not only are there Reform Party of Canada members in western Canada. They are from coast to coast and we do have townhall meetings right across the country.

Can the member just give me one area? I think all of Canada should be able to come to any member of Parliament and ask for one area where money can be saved in a specific program.

For the third time I would like to ask the same question. Will the member identify one area in old age security where we can have substantive savings, and will he tell us the figure we would save?

**Mr. Gallaway:** Mr. Speaker, it is a hallmark of members opposite that they do not like to speak about the legislation before the House. They would rather speak about their grand scheme of Canada and their identification through their unique patented processes called townhall meetings.

As a result of all the townhall meetings they are apparently having in Nova Scotia, Quebec, Ontario, British Columbia and other provinces, why does the member opposite not tell us the results of what Canadians are telling them in terms of what the number one issues of the day are?

**Mr. Silye:** On a point of clarification, Mr. Speaker.

**The Acting Speaker (Mr. Kilger):** Perhaps the member would like to speak to a point of order.

**Mr. Silye:** I rise on a point of order, Mr. Speaker. According to the Standing Orders I understand that when members ask ministers of the crown questions in question period they do not necessarily have to answer. In debate and under questions and comments do members of Parliament have to answer?

**The Acting Speaker (Mr. Kilger):** Clearly the Speaker does not deem the matter to be a point of order; it is more a matter of debate.

[*Translation*]

**Mr. Gaston Leroux (Richmond—Wolfe, B.Q.):** Mr. Speaker, as the member for Richmond—Wolfe, I am pleased to participate in this debate on Bill C–54, which concerns an extremely important group of people in our society, to whom we owe a great deal.

A society which respects its seniors is one which respects its past as well as the wisdom and the maturity that come with it.

• (1220)

Such a society tends to create a healthy environment for future generations and it is the Bloc Quebecois' goal to promote and build such a society, and not to destroy a country, as Liberal and Reform Party members like to think.

In Canada, 21 per cent of seniors, that is 625,000 of them, live in poverty. The proportion of old people with low incomes is always greater than for the population as a whole. In 1992, the average income of families made up of seniors was 30 per cent lower than that of other families. Between 1982 and 1992, the average income of seniors increased by 6 per cent, compared to 10 per cent for the rest of Canadians. In 1992, the average income of seniors living alone was $18,434, while that of other persons in the same situation was $25,000.

This reality of the Canadian society certainly does not support claims by the Prime Minister to the effect that Canada is a good place to live.

It must be recognized that Bill C–54, which amends the Old Age Security Act and in particular the Canada Pension Plan, includes several measures which will have a positive impact on programs for seniors. However, this legislation is clearly inadequate when it comes to alleviating the problem of poverty among our seniors. On the contrary, some provisions of the bill reflect a strong desire by the government to increase social controls and to pinch pennies at the expense of the poorest Quebecers and Canadians.

Bill C–54 contains some positive provisions, like the ones making the application process for Old Age Security benefits, the guaranteed income supplement and the Canada Pension Plan more flexible. For example, spouse's allowances will now be automatically converted into Old Age Security benefits when recipients turn 65 years of age.

This bill also includes some more provisions that could improve the lot of the elderly in both our societies. For instance, guaranteed income supplement and spouse's allowances will now be paid to the recipients even though their applications were late. Individuals will now be able to cancel assignments of pensions at any time, assignments meaning the transfer of all or part of a pension to a spouse.

Recipients will also be able to ask the federal government to directly reimburse the various provincial benefits they have received while they wait to become eligible for Old Age Security or Canada Pension Plan benefits. To exempt benefits from seizure and to let older people who want to appeal decisions to do so by making requests for reconsideration

instead of appeals are two more examples of measures aimed at improving the lot of the elderly in both our societies.

However, with Bill C–54, the federal government is proposing a piece of legislation that has absolutely no scope and that reflects its unwillingness to reduce poverty among the elderly. True to form, the government has deliberately chosen to increase its control over the poor people, while maintaining the parameters for an artificially rich society, which is, in fact, debt–ridden and on the verge of bankruptcy.

All of our social programs have been called into question because of the deficit, spending controls and especially the failure of the government to act. In the last budget, the measures concerning contributions to the unemployment insurance fund and the proposed changes to the age credits for the elderly clearly indicated the direction in which the government is going.

• (1225)

When public authorities attack the most destitute and vulnerable among us, as does the Liberal Party of Canada, it is the sign of a society with no plan for the future, a society which protects the rich.

Let me remind you briefly that all taxpayers who are 65 or over may claim a tax credit equivalent to 17 per cent of $3,482 at the federal level and to 20 per cent of $2,200 in Quebec. The change made in the last budget aims at reducing this credit for senior citizens with a net revenue exceeding $25,921 and at eliminating it completely for those with a net revenue of over $49,100.

We have to wonder if the government considers that a senior citizen with a $25,000 revenue is rich. Obviously, the meagre efforts to reduce spending are made on the back of the most destitute members of the middle class. In this way, Bill C–54 is the logical result of the first Liberal budget and goes well with the reform of the social programs proposed by the Minister of Human Resources Development.

In reality, Bill C–54 is part of the same budgetary reduction process as the social program reform. Thus, public pensions are as much under scrutiny as unemployment insurance and manpower training. Similarities between the first budget, the social program reform and Bill C–54 can be seen mostly in two aspects of this bill: first, the savings measures considered by the government, and, second, the greater number of organizations given access to personal information on senior citizens, which means an extension of the control measures.

As for the savings measures, the government says that the retroactive period needs to be reduced from five to one year to be in line with Old Age Security and the Canada Pension Plan. It should be noted, however, that every time we pay heed to this need, the result is always a downward adjustment. All things considered, the government is again tightening program requirements for the elderly.

Also, the government will have to explain what it thinks is wrong with the current clauses on Old Age Security overpayment. It is worth mentioning that, under the present legislation, the government can go back at most two years. By eliminating that limit to the retroactive period, the government would collect $2 million more. Since pensioners enjoy some protection from possible mistakes by government officials, the minister should indicate from whose pockets that money will come from.

Furthermore, I submit that it is indecent for this government to propose measures for deferring benefit payments when there is an appeal. The implementation of such measures could put many pensioners in a very precarious situation. The proposed measures would not have a major impact on most pensioners, but they nonetheless reflect the direction taken by the government since its election, namely cutting social programs, despite the commitment it made during the election campaign not to attack these programs.

The proliferation of control agencies, which was mentioned earlier, is another aspect of the bill to which the Bloc Quebecois is opposed. Governments are interfering more and more in everyone's private life and they accumulate ever more detailed information on each one of us. As we know, there is currently a public debate on the Canadian Security Intelligence Service. New facts are being uncovered. We know since the 1970s that the inquiries on government management are made beyond public scrutiny and kept secret.

Although the gathering of some data is often necessary to process certain files, the government should always justify its new intrusions into people's private lives.

• (1230)

The government has not yet demonstrated the need to increase the release of information regarding seniors in both our societies. The Bloc Quebecois will not support this provision of the bill unless the government demonstrates this need.

Moreover, we think that the provisions regarding the penalties for illegal release of information are clearly inadequate. The clients of social programs must be protected in a very effective manner against any abuse that could happen in the passing on of information. The legislation should provide for special penalties for this kind of offence.

For these reasons, I will support the amendment proposed by my colleague, the member for Argenteuil—Papineau, which reads as follows:

That the motion be amended by striking out all the words after the word "That" and substituting the following:

"this House declines to give second reading reading to Bill C–54, An Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, because it does not provide a penalty under the Criminal Code for the disclosure of personal information concerning beneficiaries to persons who are not legally authorized to such information pursuant to Access to Privileged Information."

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.):** Mr. Speaker, I would, in fact, have a few questions to ask the hon. member. He mentioned the average amounts paid to senior citizens as compared to the national average in Canada. When he mentions $25,000 and $19,000 are these gross or net amounts?

**Mr. Leroux (Richmond—Wolfe, B.Q.):** Mr. Speaker, perhaps the hon. member for Bonaventure—Îles–de–la–Madeleine did not listen carefully to my speech, because I made it very clear that these figures were for net incomes.

**Mr. Gagnon:** Mr. Speaker, if that is their net income, their gross income must be around $35,000 or nearly $40,000. The average income of a family of four is almost $45,000. Therefore, those individual incomes are way above the national average for a family of four.

At any rate, I want to make one thing one thing clear. This government has no intention of tampering with old age security. All Liberal governments, and especially the present one, have always preserved the vested rights of senior citizens, and more particularly those received or accrued by people who have been contributing for at least 50 years. Through their contribution, they shaped Canada as we know it today. Everybody recognizes, as well as I do, the great efforts made by our senior citizens. Believe me, we are the first ones to look after the have–nots.

Once again, I hope the hon. member of the opposition understands there are 800,000 people on welfare or unemployment insurance in Quebec. All kinds of suggestions are being made to meet the needs of Quebecers and make our economy more efficient and create more jobs. But all I hear in this House is a condemnation of the government of Canada. I will send the ball back in his court and ask him, for example, what the experts did at the regional level.

In this matter, I listened to Quebec's Minister of Health who still has not made a decision on the problem of medical specialists who are needed in outlying regions. Pensioners come and see me to say that they need specialists. We have hospitals in Maria, Chandler and Gaspé. But no. Quebec's civil servants prefer to send them to Rimouski, Quebec City or even Montreal. Unfortunately, the Government of Quebec does not often respond to my constituents' real requests for social services and health services. Of course, this is provincial jurisdiction, but I say that it is wrong to blame the federal government, Mr. Speaker. Indeed, what do we hear very often? That it is the Government of Quebec, the member's head office, which does not meet Quebecers' real expectations and needs.

• (1235)

**Mr. Leroux (Richmond—Wolfe, B.Q.):** Mr. Speaker, the member has a short memory. I think he cannot see past the tip of his nose. I must remind the member that the Parti Quebecois government was elected only a few weeks ago and that, for the past ten years, it was his Liberal friends in Quebec who had been managing the health care system.

I would like to remind the member, who does not seem to be too firmly grounded in reality, that money you have to live on is not what appears on paper but what you have left in your hand. With an income of $25,000, I say that you live in poverty. If the member looked at the government's statistics, he would know that with $25,000 you are in dire straits. Many times, when you are paying for your groceries, you wonder if you should not put an item back on the shelf because you do not know if you are going to have enough money to pay the bill.

The money in your hand is a far cry from what appears on paper. When the amount on paper is $50,000 and you are left with only $25,000, it is because the government took the other $25,000. This is what it means.

Does the member realize that, while there are 800,000 unemployed people, his government has just taken some extraordinary steps cutting social programs and training, and that the Minister of Human Resources Development has just announced an astounding proposal asking students to get deeper into debt, under the pretence of making it easier to have access to training? What the minister is telling university and post–secondary students is this: "We are giving you better access to funding from banks and credit unions so that you can get deeper into debt and we are cutting grants and bursaries". We know very well that to get a bachelor's degree now, a student piles up a debt of about $9,000 or $10,000.

A student who goes as far as the doctoral or post–doctoral level leaves university $40,000 in debt. That is what your government is doing!

That government is doing nothing to stimulate employment. They invested in infrastructure, which is not a bad program, as everyone admits, except where do young people get jobs in the infrastructure program? Where do women find work in the infrastructure projects? Nothing, zero.

The Prime Minister said that when we see trucks rolling in the streets, the economic recovery will be under way. That is a very short–sighted way to look at economic recovery and it is especially short–sighted to think that you will put people back to work just by digging in the streets. It is an old, well–known model that works in some ways, but they did not think of training. They did not think of investing in young entrepreneurs. What the government is doing is the opposite of what it

announced during the election campaign. It was elected with NDP–style advertisements that said, "We will protect social programs. We will create jobs". It was elected with many promises that are now completely rejected.

The finance minister's budget and all the reform proposals clearly show us that they are doing the opposite and can only think of cutting $15 billion from operating expenses in the budget at the expense of all the poorest people, in order to protect their friends, the richest people who back that regime.

I would conclude with this. If only this government were honest enough to apply the red book, as they said in their advertisements, every time they refer to it, we could at least be working on the economic recovery in some ways, but they are not doing that, on the contrary. They are acting to the detriment of the very poor, women, young people, training, education. Again I say to the hon. member: If you have $25,000 in your pocket, you are poor in a society where everything costs more, with taxes on food, medicine, the basic needs of families, rent, etc. You may have $50,000 on paper, sir, but that is not what you have in your pocket. Remember that!

• (1240)

**Mr. Gagnon:** You are a liar!

**The Acting Speaker (Mr. Kilger):** The 10–minute question and comment period has expired. Resuming debate. The hon. member for Winnipeg South.

Order! The hon. member for Richmond—Wolfe on a point of order.

**Mr. Leroux (Richmond—Wolfe, B.Q.):** Mr. Speaker, the hon. member for Bonaventure—Îles–de–la–Madeleine has just called me "a dirty liar". I think it was very clear. What I am saying concerns verifiable facts; I cannot accept this comment.

**The Acting Speaker (Mr. Kilger):** I paid close attention to what was said between members and I would ask the hon. member for Bonaventure—Îles–de–la–Madeleine to please withdraw his comments to the hon. member for Richmond—Wolfe.

**Mr. Gagnon:** Mr. Speaker, it appears to be a rather passionate debate but it is still outside— First of all, I did not have the floor and it was really a private discussion. I will, however, make amends. True, I made such a comment but, unlike the hon. member who steadfastly refused to apologize to the Prime Minister of Canada, I at least have the honour of apologizing to him. I hope that in the future he can benefit from his experience with me in that when I make a mistake, I apologize. I would have liked to hear the hon. member opposite say the same thing to the Prime Minister of Canada the other day.

**The Acting Speaker (Mr. Kilger):** The matter is closed. I thank the hon. member for Bonaventure—Îles–de–la–Madeleine for his co–operation. I have no intention of reviving another matter that occurred one or two weeks ago.

Resuming debate. The hon. member for Winnipeg South.

[*English*]

**Mr. Reg Alcock (Winnipeg South, Lib.):** Mr. Speaker, I thank my colleague in the House for his intervention. It sets a model for the House that perhaps we should all think a bit about.

Despite the debate that has taken place over this last while in the House what this bill purports to do is simply bring the administration of the programs administered by the Department of Human Resources Development into the 20th century. It is simply an attempt to modernize the way we deliver services to people, to use the advantages which computers and information technology offer to us to allow us to better identify what services we are providing to whom, to ensure that we do not provide services to people who do not have entitlements to that service, to make it easy to access information quickly and to make the overall operations of government more efficient and more effective.

The fact is that this has been a movement that has been taking place in the private sector throughout this last decade. The fact is many governments at all levels are moving in this direction and it is about time the federal government caught up.

I commend the Minister of Human Resources Development for being able, given all the things he is having to deal with, to move forward with such an important initiative at this time.

I want to talk a bit about one aspect of it and to preface that I want to remind members of a couple of things. People historically are nervous about change. It was not that long ago when telephone answering machines were introduced and people used to complain all the time if they got a machine, they do not want their phone answered by the machine, they do not want to have to talk to a machine. Today when you phone somebody, if they do not have a machine you are annoyed because you cannot leave a message.

It was not that long ago we were concerned about electronic banking machines. People do not want to deal with a machine, they want to deal with a real person. I would ask most members of the House to reflect on where they do their banking. I bet the majority of them use their cards, go into the teller 24 hours a day, 7 days a week because it is much more efficient, much more effective and much better service.

That is what we are talking about here. We are talking about using those technologies to bring better, faster, more effective service to people.

Because of these concerns about technology there has always been a fear about if information is given to the government, how will the government utilize that information. There have been, and necessarily, strong prohibitions against the transfer of information among government departments.

• (1245)

Between that time, when we first began to introduce these programs and now, the House has enacted privacy legislation. It has enacted all sorts of protections and our use of technology has become much more efficient so that we know how to provide secure access. If a bank can provide secure access to my money 24 hours, seven days a week and prevent somebody else from getting at it then the government can provide secure access to confidential information that it holds in its records.

The bill identifies certain kinds of information that will be shared between legitimate users of the information within government to provide more efficient, more effective and faster service to citizens. When we talk about one–stop shopping, when we talk about service to citizens, this is what we are talking about.

I would like to concentrate on those provisions aimed at improving information sharing between government departments. The protection given to the information which old age security pensioners, unemployment insurance claimants, Canada pension plan recipients and children's special allowance beneficiaries must provide has always been high. The reasons for this are clear.

The Department of Human Resources Development is required to collect personal information in order to determine if an individual is eligible for a benefit and in what amount. Should clients feel uncertain about the confidentiality of this information, they might be reluctant to provide such information. In such a case the department would find it almost impossible to administer these programs.

Nevertheless there are situations in which the strict protection afforded this information actually prevents the government from giving its clients the best service possible. In some cases it sets up artificial barriers which hamper the service or action which the client is requesting. In other cases it prevents the government from making use of technology which could save the taxpayers of Canada money and avoid stressful overpayments for beneficiaries.

There was a member opposite talking about what specific savings would arise. This program will produce savings to government in the delivery of government services.

I am sure that all members have had to respond to many constituent queries concerning program and benefit information, changes or the resolution of difficulties. In such situations it is often unclear exactly what sort of information can be shared. When this involves OAS, CPP, UI or CSA benefits, MPs and their staff must contact the Department of Human Resources Development to request information about their constituent's particular case.

Some would argue that a constituent request for a member of Parliament to intervene on his or her behalf constitutes permission or authorization for the department to share information with that MP about the individual. However, it is not clear in law under which circumstances information can be released to MPs.

Public servants must therefore weigh off the requirement to protect client information against the need to provide proper service. One of the amendments in the bill would eliminate any uncertainty with respect to CPP, OAS and CSA legislation and so permit public servants to provide client information to members and their staffs acting on behalf of clients.

Another amendment would help departments provide better service to common clients. Because of the age group of their clients, the Departments of Human Resource Development and Veteran Affairs have many clients in common. Furthermore, if the circumstances under which a veteran qualifies for certain benefits from the Department of Veterans Affairs as well as the amount of benefits depends in part on what benefits he or she receives from the old age security and the Canada pension plan.

To determine benefit eligibility, the Department of Veterans Affairs requires information on that person's entitlement to OAS and CPP benefits.

While the OAS act currently allows the department to share some types of information, the CPP legislation does not. This has resulted in substantial overpayments to some veterans who have reported incorrect benefit amounts to the Department of Veterans Affairs. Many of these overpayments are difficult or even impossible to collect because of the hardship this would cause low income veterans.

The amendment in the bill pertaining to the Old Age Security Act would allow the Department of Human Resources Development to provide information to veterans affairs on common clients for the purposes of administering all acts pertaining to veterans. The amendment to the CPP would allow information sharing with veterans affairs for the first time and on the same basis as OAS.

The effect of these amendments would be to minimize overpayments to clients, eliminate the distress caused to veterans in overpayment situations and bring consistency and comprehensiveness to the OAS and CPP provisions.

Another amendment would enable the Department of Human Resources Development to give better service to disabled Canadians trying to re–enter the workforce.

• (1250)

Under current provisions of the Canada pension plan, disabled contributors who are unable to work may qualify for a CPP disability pension. The CPP administration is currently evaluating a project which offers rehabilitation to those disability pension recipients most likely to benefit from it.

These services would be provided by private rehabilitation specialists. However, in order for these professionals to evaluate the situation of disabled persons and the services he or she might require to get back into the workforce, they need access to client information. Current Canada pension plan legislation prevents the Department of Human Resources Development from providing this information directly to such professionals.

One of the amendments in the bill would enable the CPP administration to provide this information directly, thus reducing the present annoyance of the department having to give the information to the client who in turn has to pass it on to the rehabilitation specialist.

Two other amendments would allow certain information to be released under specific circumstances to enable the Government of Canada to proceed with two important initiatives. In one initiative the Correctional Service Canada is embarking on a program to charge federal inmates a portion of their income as room and board.

One amendment in the bill would allow information on CPP and OAS benefits paid to inmates to be transmitted to Corrections Canada for inclusion with other income information for assessing the room and board to be charged.

Another amendment would allow disclosure to the Minister of Justice, the Attorney General for Canada and the commissioner for the RCMP of OAS, CPP and UI client information in order to assist activities undertaken in Canada to investigate, prosecute and extradite persons suspected of war crimes and crimes against humanity.

Finally, another amendment would enable the provision of client information to Canada Post via computer tapes or other electronic means to print benefit award and denial letters. Should Canada Post be contracted to undertake this activity, strict conditions would be placed on the types and circumstances of this sharing.

Canada Post would be subject to government contractual agreements. Canada Post would continue to be obliged to protect the confidentiality of the mail and to abide by the provisions of the Privacy Act. It is important to emphasize that sharing information in these circumstances in no way lessens the protection given to confidential client information.

Those authorized to have access to this type of information would be bound by the legislation and any person releasing information illegally would be guilty of an offence punishable on summary conviction.

In conclusion, the amendments will be of great benefit both to Canadians and the federal government departments serving them. They will provide better service levels for Canadians and eliminate unnecessary work and red tape in dealing with government departments. They will eliminate much hardship for clients by reducing the incidence of incorrect payments.

As well, they will provide savings to the Government of Canada and in some cases result in additional revenues. Finally, they will permit the federal government to further the goal of justice in Canada.

For all of these reasons, I feel the House should support the bill and get on with its passage as quickly as possible.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I appreciate the comments of the member for Winnipeg South. He is correct in pointing out that this is an omnibus bill that covers a lot of territory as far as our social programs are concerned. I agree with him on the idea that we are in the 20th century.

I especially appreciate his comments regarding the Department of Veterans Affairs. We must not put veterans in distress when they have gone to war for this country and especially when next year is the 50th anniversary of the end of the second world war. That is very substantive in this bill.

I would like to try to flesh it out some more. We are all in this place to try to come up with ideas to make the programs and bills that are put before us better and more effective, more efficient. We are all here with that common goal.

He talked about efficiency and how the programs will be more effective, that this technology is a movement that is taking place. I do not think anyone in the House would disagree that it should be done.

The access to information is also something that I can feel very comfortable in supporting with some assurances that it does not go too far. He mentioned several areas. One he briefly mentioned but did not go into too much detail with was the UIC program. If we are to come up with ideas, we should talk about some substantive ideas the member would bring forward that would save the country some money in regard to UIC.

• (1255)

The Reform Party of Canada has stated that this program should be actuarially sound, that it should be a true insurance program that would save the government some $5 billion in delivering the program to its clientele. Whether the member agrees or disagrees with that concept, I would like to hear from him what his specific ideas are that could save the program and save Canadians dollars.

**Mr. Alcock:** Mr. Speaker, I want to try to direct the member's attention to a particular area. We all like to stand up and talk about the grand ideas that will transform programs and save billions of dollars, however impractical, inefficient or incredible those ideas might be. What I am trying to talk about in this bill is something that my mother used to say to me and I suspect other mothers said to their children: "If you look after the pennies, the pounds will take care of themselves".

This is not about a massive restructuring of government programs. This is about, in many little steps, doing the work of government better, more efficiently, faster, giving better service and at the same time, saving money. There are all sorts. Computer programmers have come to government for the last 20 years and said: "If the government will just build this system, we will be able to deliver better service and save money". Unfortunately that has not always proved to be the case.

However, we have learned over time the techniques necessary to do exactly that. If we look at what has happened in the private sector: we have seen massive changes in management; a flattening of management hierarchies; more direct delivery at the service level and the use of expert systems.

Each one of the programs I mentioned here keeps a file on people with information on their names, addresses, postal codes, all of that identifying information. Why do we need to have four or five such databases? Why not one? Think about that between departments.

Canada Post was mentioned. Canada Post is building or is near finishing a database that has the name and address of every single Canadian in it. Why do we need to replicate that? Why can we not take advantage through proper information sharing of that information to save us money. Will this produce $5 billion savings? No, I do not think so. Will this flatten out the need for new resources, provide better service and save money along the way? Yes, it will.

**Mr. Hart:** Mr. Speaker, I appreciate the member's comments on the question. I do not mean to stand here and offer grandiose ideas to the people of Canada. We are trying to come up with solutions to very complex problems. As we move very rapidly on the train tracks, there is a brick wall straight ahead.

It does not matter how effective, how efficient and how far we have advanced technologically with our systems if we do not tackle this massive problem of deficit and debt. We are spending some $44 billion dollars a year on interest alone on the money we have borrowed. This cannot go on forever. We are going to end up in a situation with very effective delivery services, but no money to deliver to the people in need anyway.

I would like to ask the member again if he could give me one substantive idea that we, as the House of Commons, could sink our teeth into regarding social programs, in particular the UIC program, that could save a substantial amount of money for the people of Canada.

**Mr. Alcock:** Mr. Speaker, I am slightly bemused because I did exactly that. I heard the Speaker has a written speech that he uses asking for specific information from members, because he asked the identical question of the member from my party who spoke last time.

• (1300)

I gave him a specific example. I can give him a number of specific examples. I would refer him first to the budget document from last February in which the Minister of Finance detailed specific reductions in the Human Resources Development portfolio. I can refer him to many speeches and statements by the Minister of Human Resources Development talking about a restructuring of the $38 billion social service envelope. I can refer him to the framework document that the Minister of Finance brought down earlier this week.

These are grand discussions, these are huge programs that affect millions and millions of Canadians and I find it very difficult to understand how any member could stand up and wipe out the benefits for millions and millions of people without any thought and discussion.

What we are proposing to do and what we are doing is taking a very difficult debate to the people of this country and asking them to participate in an exercise that is going to be painful for all of us. We are not deciding that in this Chamber based on a few throwaway comments from a few members.

I really find this debate right now very difficult when a member stands up and so quickly and so easily asks to deprive seniors of their pensions, or to deprive UI recipients of their benefits. I find this intolerable.

I would like to see from that party some specific suggestions that take into account the nature of this country. You cannot do what this member just suggested with UI without bankrupting some of the provinces. He should stop and think a bit before he starts carrying that debate forward to the public.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I do not like the tone the member adopts in even suggesting that I was wiping out benefits to people in need in this country. That is not at all what I said. That is a total misrepresentation of what I am saying here.

Very quickly, all I am asking for are some substantive ideas. This country has waited. We saw a social program action plan that was supposed to be presented in April and now we are still in the discussion stage.

I feel very strongly that what has happened here is that the government spent all its time when it was were on this side of the House discussing and criticizing but not coming up with a substantive plan. Right now it finds itself in a quagmire and does not know what to do. It is too busy looking at itself, as the member says.

Let us give the Canadian people some credit. They have watched this progress over months and months now and all that is coming out are bills that skirt around the edges of the real problem.

I would like to know substantively once again if this member can give us a substantive and direct figure and an idea that will help us save money in social programs today.

**Mr. Alcock:** Mr. Speaker, let me give the member two. Let me refer him to this bill, this bill which he throws away and says is nothing. This bill is a major modernization and improvement of services that will produce reductions in the cost of administering programs. That is a fact—this bill.

You want to make savings in UI, you want to—

**The Acting Speaker (Mr. Kilger):** Order. I know this is a place for vigorous debate but please direct your interventions through the chair.

**Mr. Alcock:** Mr. Speaker, I apologize for that. I am not arguing with you. If the members opposite wish to contribute to this debate and want to save the people of Canada money then let us have a debate on getting people back to work, let us have a debate on getting this economy going, let us have a debate on getting people trained. I do not hear a single idea coming forth. I have never heard the words 'research and development', I have never heard the word 'investment' come from that side of the House.

Let us have a debate about it. Let us get people back to work. Let us get people off UI. Let us get people into high quality, high paying jobs. Then we will see a difference.

• (1305)

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, the purpose of this act is to improve service to clients, to allow for more efficient program administration and in the case of the Old Age Security Act, OAS, and the Canada pension plan, CPP, to increase consistency between these programs.

To the degree to which technical items in this bill achieve those ends we certainly support this bill.

However, let us look at these major programs and the need to address them not only from a purely technical point of view but at the programs and their viability and their serviceability and their achievements. Are they doing what they are intended to do?

This brings the operations of the various pieces of legislation more into harmony with one another and it does correct various minor flaws and omissions in the legislation. It addresses the section on appeals and on confidentiality of information.

The only significant change that exists is that under clauses 9 and 23 of the act affecting clauses 18 and 37 of the OAS act, the crown can now attempt to recover accidental overpayments from more than a year ago provided this would cause no undue hardship. Inquiries should be made in the human resources development committee as to whether this really is the meaning of this section and if so how significant such a provision could be financially and why it was made.

What about the big picture? The government has been in power for one year. The government prepared to be in power for four years and developed the red book, the infamous Mao red book.

During the election campaign the current Prime Minister travelled across the country holding up this red book, pronouncing that he had the people and he had the plan. Where he did not have the people he duly appointed them in those ridings where they could not get elected.

Now he finds out that the plan, which is not very democratic in my opinion, he and the finance minister and many others in the front row on the benches of the government had was no action plan whatsoever.

What has this government accomplished after one year? It has the plan. It supposedly has the people. Here we are 12 months after almost to the day when this government took over. After cancelling the EH–101 contract, after cancelling the Pearson airport contract, after reversing its election campaign promise on NAFTA, which of course we supported—it finally saw the light on that one—what has it done? As far as legislation in this House, we have had housecleaning bills, housecleaning bills and more housecleaning bills.

In January the first bill brought before this House was Bill C–2, an act to amalgamate the Department of National Revenue and taxation with customs and excise in an effort to improve efficiency and effectiveness. This is the very same justification and tremendous adjectives and rhetoric it is using to promote this bill. It is a small technical bill and the government makes it appear it is doing great wondrous things for seniors and pensioners.

What did that bill accomplish from back in January earlier this year, efficiency and effectiveness? They have been really effective at the borders. They are seizing books they should not seize. They have been really effective collecting taxation. Since they took over there is $6 billion in taxes uncollected. There are more dollars uncollected in GST. The more we look into this the more we find out that this government has done less instead of

more, the more we find out that this government is less efficient and effective than more.

Today we have before us Bill C–54, another housecleaning bill and the government makes it sound as if it is better, improved, more efficient and more effective.

I ask the Canadian public to listen to what this government says, to what its front benchers say because the difference between what it says, what actually happens and where we will end up is like day and night.

• (1310)

Let us get back to this bill specifically. Let us look at the Canada pension plan, the CPP. It is a compulsory pension plan based on earnings. Upon retirement it pays 25 per cent of former salary up to $8,000 per year. Only former contributors are eligible. CPP is left out of the federal budget and not included in the analysis. The annual cost is $13.2 billion for the government's share of this program.

The present value of the Canada pension plan based on some sound assumptions is several billions of dollars. The payments will have to rise 6 per cent to 7 per cent of income or an increase of three to four times for Canada pension if we keep the current method of funding. Will future generations be able to afford this? Will the young Parliamentary Secretary to the Solicitor General be collecting his money like he earlier said he would?

Why not begin now to fix the problem? It is ignored by the finance minister in his planning for economic development. It is ignored by the finance minister in his budgetary process and it is ignored in this bill.

The present value of public service unfunded liability just for the federal government is $100 billion. This number was given to the finance committee as recently as last night by a prominent economist. Once again, why not begin to fix this problem of unfunded insurance now?

When the finance minister declares that Canadians do not want to make cuts, when the Prime Minister declares that Canadians do not want to make cuts, because as the prebugdetary consultative process goes across this land and as they discuss with Canadians and in committee as to what they should do and what they cannot do, it will be the special interest groups that will organize, flood and distort the prebudget conferences which primarily exclude the rank and file average Canadian.

The finance minister and the Prime Minister will announce that they have no choice but to raise taxes, first of all because of their commitment and because come hell or high water, as said by the finance minister, he will meet his deficit targets.

When both the finance minister and the Prime Minister have a ready made excuse, which is what this whole two month process is all about the way I see it, they will look to raising taxes.

As recently as yesterday the finance minister said if the Canadian public will not look at cuts, if the Canadian public will not look at the sound economic planning of the finance minister, they have no choice but to raise taxes because of their commitment in the red book.

The finance minister will have to look to RRSPs for taxes. He will do that because it is too obvious. It is too big an area to leave untouched. It is too tempting. It is too easy. He just needs the excuse and it will be there.

These prebudget hearings are merely invented to help the government, the finance minister and the Prime Minister to develop an excuse based on the results of the so–called deliberations across this great land to interpret these submissions to their own pleasure at the expense and pain of the Canadian taxpayers.

In any case, when he does look at taxing RRSPs I hope he proceeds to consider the following. I hope he does not tax RRSPs. If he does I hope he also then adheres to the principle of fairness which was enunciated in the red book, which is enunciated by the finance minister in his purple book, which is enunciated in the grey book by the finance minister. We now have three books that are committed to the principle of fairness.

**An hon. member:** He should write a comic book.

**Mr. Silye:** I believe the finance minister should write a comic book. He likes to give answers quite often in a comedic fashion.

• (1315)

If he is going to tax RRSPs for all Canadians across this land, then he should also consider taxing those funds the government puts into MP pension plans, that portion which is a seven to one ratio that we put in as MPs. That government portion should be taxed in all the public service pension plans as well.

We like to pride ourselves as not only listening to people and looking at what the problems are, but coming up with solutions based on what causes the problem. What causes the problem in both OAS and in CPP is that there are insufficient funds to look after future generations. Why not consider combining OAS and the GIS, the guaranteed income supplement, with the CPP into a single guaranteed annual income program for the elderly? It would be phased in gradually to preserve benefits for the current generation of pensioners. This would pay more to the poorer seniors and less to the wealthy seniors.

The principle and problem I am trying to resolve is the fact that what I pay into CPP today and what I have paid into it is less than what future generations are going to have to pay when they

have to pay for me. That is because it is only funded by current premiums. It is not set up on an actuarially sound basis. That is what we should be looking at to solve that problem.

Let us look at OAS. OAS is a universal pension scheme. It pays a pension to all but the wealthiest seniors with benefits up to $4,547 per person and is taxed back at 15 cents per dollar of income above $53,000. The annual cost is $14.4 billion.

There is also a guaranteed income supplement for those seniors who truly need it. This particular program has to be preserved. This program must continue. We must make cuts elsewhere in the budget so as not to affect the seniors guaranteed income supplement. It is imperative that the $4.3 billion subsidy in this area is protected and guaranteed. Those are the seniors who truly need it. Not only do they need their OAS but they need their GIS.

What we should do is perhaps combine OAS with the CPP, a solution to ensuring there is something left for those seniors who really need it and for those who need extra over and above their CPP there is a guaranteed annual income. Their income levels are topped up based on whatever level we define as the bare minimum required for food, shelter and clothing.

We should develop our social programs, design and target them to those people who truly need them. If the funding could come from the government to those people through the raising of funds directly for those people rather than through the various complex methods we are now using through the Income Tax Act it would be more clear and obvious and less costly administratively. It would also be more effective and efficient. More money would go into the hands and pockets of those people who truly need it.

Earlier today I debated under questions and comments with the Parliamentary Secretary to the Solicitor General. He stated that he was a Liberal and I agreed; I figure I have learned that much. He also said he felt there would be enough money in the Canada pension plan for him despite the fact that the contributions he is currently making do not allow for the unfunded liability. With that extra great incremental cost that will be there he still believes he does not have to worry.

I understand he is only 32 years old and he is not worried. I know 60 year olds who are five years away from collecting it who are worried. I know 63 year olds who are worried. I think the parliamentary secretary should be a little bit worried.

He also stated that as a Liberal he believes in the principle of universality. This was a great concept the Liberals subscribed to even back in 1968. I remember that when I was in university. Universality had a purpose then. Universality had a reason for the majority of Canadians to follow it. There was nothing wrong when the principle of universality was introduced at the time that it was. However this is 1994, not the 1960s. Although the principle of universality has a lot of merits and would be great if we could afford it, that is the point: we cannot afford it.

• (1320)

We must look at and develop programs that help the seniors and students. Once they are developed what we need to do is not adhere to a principle of universality but adhere to a principle of universal access for those people who need to tap into these great programs. These great programs the government spends hours, days, months and years developing should be available and accessible universally, and portable all across this land. That is the way to address our social programs.

As long as this government continues to believe in the principle of universality and thinks we can live the life of Riley at the expense of future generations, then it will never solve the problems that face this country. It will never really address them with an action plan. One or two years from now the government will be coming up with another book of another colour looking for further discussion and further consultation.

I also debated with the government whip on a TV program. He told me that this plan of the Minister of Human Resources Development would be one that would help solve the problems of our social programs. I told him on television—and he can look at the tape—that it would just be a discussion paper, that there was no action plan at all. He disagreed and I said I would eat my words. Well, I do not have to. Now we know.

Not even the government members know what the senior cabinet ministers are doing. They are just tinkering with the system. It is a complex system, but rather than addressing the big major problems, they are avoiding them.

In conclusion, I have a seventh point, if I could find it here. My fellow members are saying to end, to finish, but I still have a couple of minutes. Do I have anything left to say? If I had another 15 minutes I would repeat it all because the members opposite as usual do not listen.

We know what the purpose of their bill is; we know they are not addressing the problem. But the purpose of my speech is so that hon. members across the way can accept some constructive criticism and perhaps solve the problems that truly face this nation and we can get on with an action plan for this country, not a discussion plan.

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, this was such a good speech I almost felt like not asking a question. Almost. But I was really urged to do so when some of the member's own colleagues seemed to disagree as to how excellent his speech was. They seemed to urge their colleague to sit down rather prematurely. I would not have

suggested that because of the immense respect I have for the member across the way.

I heard him say a few things in his speech which I believe to be—how should I say it—factually incorrect. One of them is with regard to the MPs' pension plan. In his remarks—and I disagree with him as to the figure—he said the taxpayer subsidizes $7 to $1 for what the MP contributes to the system. I think that is a bunch of nonsense.

Going beyond that, and I do not know how he concocted the reasoning but perhaps he could explain it to us. He alluded to the fact that the benefits of that were non–taxable and that the $7 to $1 which he says the government puts in should be taxed. Perhaps there are more creative accountants who do the bookkeeping for people who are members of the Reform Party when they receive benefits from pensions, but I do not receive any MP pension and heaven knows whether I ever will. However I intend to pay my taxes. I am sure that Liberal colleagues who have come and gone and who are now receiving pensions do pay taxes on those benefits. Those benefits are in fact taxable. I challenge the member to indicate to us why he feels they are not taxable. For what reason is he attempting to convince Canadians that what is factually incorrect is a reality. That is how I put it to be kind.

• (1325)

I also want to challenge him on another issue. The member talked about the fact that he wants a guaranteed annual income. We heard that. I agree with that proposition. He said we should have a guaranteed annual income and he also said moments later that we should end universality of pensions. Recognizing that universality only applies to the basic pension it is a form of guaranteed annual income for people who are beyond a certain age.

I do not understand how the hon. member across the way could advocate both of these things together. I do not think it is reasonable to suggest we should end universality and replace it with a system that he qualified as a guaranteed annual income. How does that make sense at all? How is it essentially different from that which exists right now for people who get nothing more than the minimum amount? Perhaps he could explain that for the benefit of all members.

**Mr. Silye:** Mr. Speaker, to begin with I would like to state that as a rookie parliamentarian I am fast learning what those with experience do. They like to twist things. Whatever it is you say they like to twist and flip it, just as the member opposite did when he stood up and said that I think we should have a guaranteed annual income. I did not say that. What I said was that we could consider it. I said let us solve the big problem. We could consider it.

Also members opposite, especially the Minister of Human Resources Development and the Minister of Finance, said that in the social policy debate when the hon. member for Calgary North talked about what the federal government had to do to meet their deficit targets, the cuts it would have to make. The cuts this government has to make to meet its targets are not the $9 billion being talked about in the newspapers today. Over the next two and a half to three years it will be cuts of $15 billion that will have to be made. That is the point our member on the committee made at a press conference.

This government proceeds not only in Question Period but at any opportunity it gets to say that the Reform Party is recommending cuts of $15 billion in social programs. That is not true. The government itself is recommending cuts of about $9 billion in social programs. It is not saying it. Secret memos are circulating from minister to minister. It does not come clean with the general public. It likes to twist things.

Yesterday the member for Calgary West asked why go over a wide chasm in two leaps. The finance minister got up right away; why not do it in one, was the implication. That was my inference. What was the finance minister's inference? His is: "Let's twist it and use it against them. The public is gullible; the public will really listen to me. I have a good routine. I can really deliver this. Unlike the Reform Party, we would not do it in two steps". He missed the point, as they continually do. Similarly, the government whip has just missed the point on taxing and the point I made about the MP pension plans.

During my speech I may have said $7 to $1. If I said that it is inaccurate and I am wrong. That is not accurate so to that degree I will agree with it. The amount of money MPs put into the pension plan and the amount the government puts in on our behalf is not matching dollar for dollar. It is not matching two for one. It is not matching three for one.

There are two parts to it. There is a 4 per cent and a 7 per cent. The 7 per cent part, not the pension plan itself but the 7 per cent, the registered annual allowance or whatever it is, I do not even know the initials it is so complicated, the ratio of what the government puts in, what the taxpayers put in, versus what MPs put in is seven to one. If he cares to refute that then he can rise any time he wishes.

• (1330)

This is the kind of twisting government people do once they get power. I do not understand. In business I get nowhere by misrepresenting the facts. I get egg on my face and I get the door closed in my face the next time I come around. Perhaps that is why people in Canada always turf out a government: they find when members are over on this side they say one thing but when they are on the other side they do another.

This is one thing the Reform Party will not do. What we say here today on this side, what we put in our blue book and our policy book, and what we work hard to do to find out what constituents want and the voters want, we will do when we get over on that side. Mr. Speaker, I assure you we will be over on that side and we will do what we said we would do from this side.

**Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.):** Mr. Speaker, my friend opposite to whom I paid rapt attention talked about the gullibility of the public. I would suggest, given the results of the election almost a year ago, the public was not gullible. It was sensible when it elected 177 Liberals.

In any event it is my great honour to rise in the House today to speak in support of Bill C–54 which seeks to increase the efficiency of a number of income security programs and, by doing so, to improve client services.

I am sure all members of the House have either heard complaints in the media about government runaround or they have had to intervene themselves on behalf of constituents with problems. I know that I have.

Frankly these problems usually involved programs delivered by Human Resources Development Canada. As members are no doubt aware this can be time consuming for clients and time consuming for our staffs, for ourselves and for human resources development employees. Improvements have to be made to this situation. That is clear to me and it is certainly clear to the minister.

The income security programs branch of Human Resources Development Canada which administers the Old Age Security Act and the Canada pension plan, the two programs most directly impacted by the bill, is committed to addressing the challenge of improving client services. To do so the branch has undertaken a three–year project to implement computer services and high technology systems in order to replace existing systems which are clearly antiquated.

The government wants to be proud of the service it provides to its many ISP clients across Canada. As well frontline staff and all other staff in the public service sincerely want to be able to work more efficiently because they realize the impact that their work can have on benefit recipients or on those seeking information about those programs.

Many of the amendments contained in the bill complement the redesigned project. For instance, expanded information sharing provisions and improved consistency between the Canada pension plan and the Old Age Security Act will alleviate many of the frustrations benefit recipients have had to deal with in the past.

There is another type of client service provided for in the bill which I should like to mention. It involves two amendments to the Canada pension plan, the direct result of client representations to the government and requests for change.

In 1987 significant changes were made to the Canada pension plan which made flexible retirement possible for the first time. In recognition of the fact that Canadians wanted more say in when they would be able to retire, the Canada pension plan was amended to allow people to take their retirement benefits as early as age 60 and as late as age 70. For those taking early retirement between 60 and 65 years of age the benefit was reduced. For those taking late retirement between 65 and 70 the benefit was increased.

Upon introducing flexible retirement it was determined that it was only necessary to pay 12 months of retroactive retirement benefits to persons who delayed their benefit until after they were 70 years of age. It was felt that persons retiring at some point between 65 and 70 no longer needed this option because their benefit entitlement would be increased to reflect the fact that they had not taken their retirement benefit five years before, at age 65.

Experience has shown that there are those individuals over 65 years of age who would rather have up to 12 months of retroactive retirement pension than the actuarial increase in their monthly pensions. For this reason one amendment in the bill would allow persons to delay applying for retirement benefits past age 65 and to have the benefits paid retroactively for up to 12 months if they chose. The nice thing about it is that it is done at their election and is not something the government forces on them.

• (1335)

Another amendment to the Canada pension plan is also a reflection of the plan responding to input from the clients it serves. I am referring to an amendment which would allow former spouses divorced between 1978 and 1987 to waive the three–year limit for making application for a division of pension credits.

As I am sure many members are aware, when credit splitting was first introduced into the plan in 1978 it was only available to individuals who divorced or had their marriages annulled on or after January 1, 1978. As well, one of the conditions for a credit split was that application had to be made within three years of the date of the divorce or annulment.

In 1987 credit splitting was extended to separated spouses and the time limit was removed for divorced spouses but only if the divorce occurred after January 1, 1987. While this was certainly a major step forward in the pension protection afforded women, it did not recognize those women who had missed out on the time limit that had been in place. The further back we go in time, the more women we have in divorce situations who did not work or contribute to the Canada pension plan during their married lives.

The rationale for not removing the time limit for the group divorced prior to 1987 was that the government would be changing the rules of the game after the fact. By this reasoning, a divorced spouse who had not had his or her credit split had a right to expect that he or she could make his or her retirement plans in the knowledge that CPP pension credits would not be split. There was one group left out of this attempt at fairness: former spouses who wanted a credit split even though the three–year limit had passed.

I am sure all members of the House would agree with me that divorced spouses who stayed at home to raise their children and to attend to the countless challenges which are part of taking care of a home deserve a fair share of the pension protection earned during the time the couple was together. The amendment would allow the three–year time limit to be waived and therefore would allow a credit split where both parties agree in writing.

Passage of the legislation will supplement other initiatives under way within the department which will improve customer service and will allow the employees of the department the opportunity to provide excellent service to an ever growing client population. Over the next few years the introduction of a better way of doing business, supported by new technology, will renovate the department's systems and update those which are at least a quarter of a century old.

Because our client service will be greatly enhanced, future seniors in need will receive rapid and responsive service. This will at least give the department the tools and technology they need to provide the excellent service Canadians expect and Canadians deserve.

I am proud of the way the government has risen to the challenge to provide even better and more responsive service at a lower cost. In spite of the important role played by technology, I am pleased the initiative has not lost sight of its real intent which is to help to provide for the security of Canadians. It is clear that Canada's income security programs faithfully reflect the needs and the characteristics of the people they serve. It is for this reason that I am supporting the bill and that I urge all other members to do likewise.

The bill is one example of several undertakings the government has made in connection with the red book promises. We have promised, particularly in the human resources area, that we will streamline programs so that their administration costs less, their service is better and the people who need money, the people who need support, will be the ones who get it. The amendments to the Canada pension plan and to other income security plans have taken us a long way toward fulfilling that promise.

The next step is the overall social security review, during which time we will be consulting with Canadians based upon our discussion paper. We will be hearing from Canadians what their position is and what their beliefs are on how we can provide them with better income security programs at a lower cost.

• (1340)

Those members who are critical of the program should get busy, get out there, have townhall meetings in their ridings, find out what their people are saying, find out what they want from our government, and let us know.

This is a consultative government. This is a transparent government. This is an open government. This is a government that will deliver responsible government services in an efficient and timely fashion.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I listened very carefully to the speech of the member and I appreciate her comments. As we have said before, we agree with many things that are in the bill.

With regard to the Canada pension plan I was wondering if the member might be able to answer a few questions for me. First, the facts of the situation are that our population is aging. In 1986, 9 per cent of all Canadians were eligible for the Canada pension plan. It is estimated now that by the year 2031 the ratio will have doubled.

I truly hope the program continues. I have contributed to the program and when I am 65 years of age I hope that it will be there. People like myself have 23 years to go before we can collect it. Quite honestly for my age group, and I am sure many members would agree, it just does not appear feasible that the program will be around.

Has the member recognized the problem of the aging population and the fact that between now and the next few years the portion we contribute to that program will have to triple for it to remain solvent? The program is going to be a problem in the future. Can the member comment on that?

**Ms. Cohen:** Mr. Speaker, I cannot quarrel with my friend's numbers because I do not know if they are accurate or not.

The government is a Liberal government and it was a Liberal government that put in place the Canada pension plan in the first place. For a question like that to come to me is especially appropriate because the late Right Hon. Paul Martin, Senior, was a key person in putting the pension plan in place and I hold his riding today, a fact of which I am very proud.

I can assure the member and the listening public that under a Liberal government the Canada pension plan will not falter; it will not fail. Yes, even my friend opposite in 23 years' time will get his Canada pension plan payments.

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, the hon. member suggested a number of times in her

speech that these changes would achieve a much lower cost in terms of administration of the program.

How much are these savings and how would they be achieved? I would ask her to be specific if she could.

**Ms. Cohen:** Mr. Speaker, we are fortunate to live in 1994 when technology has reached a point that by its use we can implement mechanized and virtually foolproof office procedures and administrative procedures that are much more efficient and less labour intensive than 25 years ago when the services we currently have were put into place.

The nice thing about the Canada pension plan is that it is a unit. Administration comes out of the plan itself so that the lower the administration goes, the more money we have to make payments to our friend who in 23 years is worrying about how much money he is going to get every month.

• (1345)

**Mr. Hanrahan:** Mr. Speaker, I asked the hon. member if she could be specific. She referred to replacing civil servants with technology, but that does not tell me in any way that there will be savings or how much these savings will be.

**Ms. Cohen:** Mr. Speaker, I did not refer to replacing civil servants with technology. I did not say that at all. What I did say was that we could mechanize offices and make more efficient the administration that we have. There will still be civil servants. This will never be, at least in our mandate, a totally mechanized system.

The Canada pension plan is absolutely precious to Canadians and certainly to the Liberal government which established it in the first place. When we look at the Canada pension plan we know as a government that it is important that we continue to streamline it so that the money in this plan goes to its clients and not to inefficiencies which have been built into the system, particularly over the last nine years.

[*Translation*]

**Mr. Jean–Paul Marchand (Québec–Est, B.Q.):** Mr. Speaker, old age pensions are a subject of concern to me because, so far, the legislation put in place by the government of Canada has dug into the pockets of the unemployed and limited access to funds for the poor. This government seems to be in the habit of attacking the most vulnerable and seniors, who are certainly among the most vulnerable members of our society.

But Parliament should have every respect for these people who deserve to retain full pensions wherever possible. After all, the quality of life that we enjoy today, we owe it to their work, their hard work. And when we talk about wanting to reorganize old age pensions, it causes us and them concern.

Of course there are problems. Our population is aging and the demographics of an aging population can cause problems. But the government should state clearly—and make it really clear—today and in the weeks to come, that it has no intention of reducing the entitlements of our seniors. That is what matters and causes concern because so far, the government has made promises regarding the protection of entitlements for the disadvantaged, promises it has definitely failed to fulfil.

The government made cutbacks in the UI program, in programs providing support to the disadvantaged, in community programs. I wonder: could the hon. member rise in this House today and state clearly and firmly that her government intends to fully maintain all existing entitlements for the seniors of this country?

[*English*]

**Ms. Cohen:** Mr. Speaker, with this cold, this laryngitis and this temperature, this member can barely stand at all. However I am happy to stand in the House and say to my friend opposite and to all Canadians that the senior citizens of Canada are absolutely, perfectly, totally and completely safe with the Liberal government in power.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I am so happy to hear from the other side of the House and this member that the Canada pension plan is such a sacred and important program that all Canadians can rejoice in knowing that they do not have to fear down the road that there will not be such a program.

With a program such as this, I am sure that the Liberal government, when this program was developed, looked into the future a little bit and had a vision. If it did, surely this program would have a reserve fund. However, I am afraid that the Canada pension plan does not have a reserve fund to ensure that Canadians down the road, 23 or 25 years from now, will be assured that when they pay into a program they will actually receive benefits. No, there is no reserve fund. The way the Canada pension plan system works—I would like the member to comment on this—is that the people who are working today pay into the Canada pension plan. The money they pay into the program does not go into a reserve fund and it is not held in a sacred trust for their retirement. That money is used to pay the benefits of the people who are collecting today.

• (1350)

We are headed down a road and there is a wall. At some point in time we are going to hit that wall.

I would like the member to please comment on this. If this program is so valuable to the government why is it not actuarially sound?

**Ms. Cohen:** Mr. Speaker, I just love to hear this stuff from over there.

I am from Windsor. I may not have mentioned that any more than two or three times today. Windsor is on the Canada–U.S. border for those from far away who maybe have not been there. Detroit is so close that people go there for lunch and get back in an hour. When we go to Detroit we can see what happens when

people start talking about debt walls and knocking money off of our social programs for the sake of the bottom line.

Over there we can see seniors in the gutter because they have no other place to go. We can thank a right wing governor for that, a guy whose policies sound very much like the policies of the current Canadian Reform Party.

The Canada pension plan is fiscally sound. The government is sound. The government will be here for a long time and so will the Canada pension plan.

[*Translation*]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, B.Q.):** Mr. Speaker, it is always a pleasure to rise in this House when you are in the Chair.

I am pleased to participate in the debate on Bill C–54 because this legislation, which looks to be an harmonization measure, could have a significant impact on the poorest people in our society. It should be pointed out for the benefit of those viewers who may have just joined us that Bill C–54 amends four very important acts providing the basis of income support measures for the poorest Canadians.

Indeed, Bill C–54 is an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act. It is therefore a piece of legislation which targets the two main pillars of our social security system, namely social assistance and social insurance.

It should also be pointed out that this is a bill which deals primarily with income support measures for our seniors. As you know, several experts claim that, on the whole, the problem of poverty among seniors is not as bad as it once was. Consequently, the old assumption that poverty and old age went hand in hand is probably not quite true any more. However, the fact remains that, compared to the national average, that age group still has the highest percentage of low–income individuals.

Let us take a look at the 1992 figures. That year, about 16.8 per cent of all Canadians were considered to be low–income individuals. However, the figure was 20.6 per cent in the case of our seniors. Consequently, the government has to be very careful when reviewing any legislation affecting seniors, for we have not necessarily done everything we could to ensure that people over 55 have a decent income to live on.

• (1355)

And I think we will have to consider this in connection with the bill before the House today. I must admit this bill contains a number of positive elements, but we must not forget that in this situation, the government is firmly resolved to do everything it possibly can, and this often includes measures that unfortunately affect people who are vulnerable.

It has to be said, and we as the Official Opposition have a responsibility in this respect, that Bill C–54, ostensibly an attempt at harmonization, is intended to give the government a chance to save money. In this respect, in the way it treats seniors, it is consistent with the last Martin budget, because you will recall that the budget brought down last February substantially reduced the tax credit for seniors.

Before the budget, seniors in this country could count on an age credit, which meant they could claim 17 per cent of their taxable income. This gave seniors in this country a tax rebate of roughly $610. We all know that the last budget launched a shameless attack on this tax credit and deprived the neediest in our society of a tax rebate to which they otherwise would have been entitled.

Although Bill C–54 is supposed to be about harmonization, it must be pointed out that its purpose is also to make it possible for the government to get money back from the neediest in this country, through our tax system. However, since we have always taken a very positive approach, I would like to take a few minutes, and it certainly will not take long, to describe the more positive aspects of this bill.

There is the fact that it will be possible, in some cases, for spousal benefits to automatically become OAS benefits, without having to go through all the red tape that is so onerous for Canadians.

Other positive points—and I see my time is running out. Yes, I will sit down like a good boy at 2 p.m.

**The Speaker:** My dear colleague, we will hear the rest of your speech after Question Period, if all goes well, but it being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[*English*]

### NATIONAL INFERTILITY AWARENESS WEEK

**Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.):** Mr. Speaker, it is my pleasure to inform the House that October 17 to 21, 1994 is the first National Infertility Awareness Week.

Infertility is a condition that affects approximately 500,000 Canadians. Although not life threatening, it can have a profound effect on a person's life. Since 1994 is the International Year of the Family, the theme for the first National Infertility Awareness Week is "Infertility in the International Year of the Family".

The Infertility Awareness Association of Canada is a national charitable organization offering support and education to individuals with infertility concerns. During National Infertility

Awareness Week the organization and its many volunteers will feature public awareness events across Canada.

Please join me in congratulating the Infertility Awareness Association of Canada on its excellent work and in wishing them all the best for a very successful national week.

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[*Translation*]

## JOB CREATION

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, B.Q.):** Mr. Speaker, the Liberal government is launching a major media campaign under the theme: "Jobs and Growth". It is putting on quite a show!

However, having carefully reviewed the three documents tabled regarding social programs and finances, we are forced to recognize that the federal government is putting forth no positive job creation measures. It is nothing but an empty slogan.

The government has set specific deficit reduction targets but none regarding job creation. The government has no constructive job strategy or policy. Yet this is the government that had put job creation at the forefront of its election campaign.

What initiatives did this Liberal government take? It has cut in social programs to force the unemployed onto welfare, thus passing the buck to the provinces.

The federal government is short of ideas. It should let the provinces take over; they are in a much better position to look after their own economic development.

* * *

• (1400)

[*English*]

## NATIONAL SCIENCE AND TECHNOLOGY WEEK

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, this is National Science and Technology Week. I would like to take the opportunity to pay tribute to a remarkable young woman from the riding of Cariboo—Chilcotin.

Ciel Patenaude of Horsefly, British Columbia will be facing the world next May in the International Science and Engineering Fair in Hamilton, Ontario. Ciel and her 31 teammates will be representing Canada for the first time in this world series of science fairs, competing against 1,000 high school students from 30 countries.

I am pleased that more and more women are becoming involved in science and engineering. I am especially proud that Cariboo—Chilcotin will be represented at the International Science and Engineering Fair. I wish Ciel and her teammates all the best in the upcoming competition.

I will be looking forward to Team Canada bringing home the gold.

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## MUNICIPAL ELECTIONS

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, I rise today to congratulate the fine men and women of Halifax West who put their names forward to serve as school board members and municipal councillors.

To those whose bids were unsuccessful, I extend my thanks and appreciation for their commitment to our communities, our schools and our children.

To the councillors elected last Saturday I offer my sincere congratulations and best wishes. I have enjoyed working with the town of Bedford, the county of Halifax and the city of Halifax on the infrastructure program. It is already paying big dividends in communities across the country with 100,000 jobs.

I ask all members to join me in congratulating the women and men who work so hard to make our communities better places to live in and our schools better places to learn.

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## NATIONAL DENTAL HYGIENE WEEK

**Mr. Andy Scott (Fredericton—York—Sunbury, Lib.):** Mr. Speaker, it is my pleasure to bring to the attention of members of the House and all Canadians that October 16–23 is National Dental Hygiene Week. The purpose of this campaign is to remind Canadians that oral health is important. By improving our oral health we can improve our overall health.

This year's campaign focuses on teens and addresses issues such as smokeless tobacco, gum disease and general mouth care. Natural teeth are meant to last a lifetime and good home dental care can help teens and other Canadians reach this goal.

Dental hygienists are staging mall displays, visiting schools and community centres and working with local media to increase knowledge of oral health. Fact sheets focusing on teen oral health issues are also available.

The Canadian Dental Hygienists Association is to be congratulated for mounting a promotion which also highlights the role of dental hygienists in helping Canadians to achieve good oral health.

I am sure all members of the House congratulate the Canadian Dental Hygienists Association and wish it much success in this very important campaign.

*S. O. 31*

## NATIONAL HOMEMAKER/HOME SUPPORT WORKER WEEK

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Mr. Speaker, I would like to bring to your attention today the tireless efforts of support workers across Canada on the occasion of the National Homemaker/Home Support Worker Week. This week was established to recognize the outstanding work of over 60,000 homemakers and home support workers across Canada.

These support workers provide more than five million hours of home based care each year to the elderly, the disabled, AIDS victims and others requiring palliative and long term care at home.

I am confident that all my constituents in the riding of Perth—Wellington—Waterloo and the members of the House share my appreciation for the job these workers perform and encourage all Canadians to take the time this week to recognize the valuable contribution that home support workers provide to our communities.

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[*Translation*]

## NATIONAL DEFENCE

**Mr. Jean–Marc Jacob (Charlesbourg, B.Q.):** Mr. Speaker, we learned earlier this week that the Department of National Defence was participating in a missile firing competition using F–18 aircraft.

The Canadian delegation was over 60 strong. While cutting in social programs, not only did the government allow missiles costing $400,000 a piece to be fired, but the Department of National Defence also offered free air transportation to Florida for Canadian media covering the event.

There is something indecent about this "charm the media" operation and the use of public funds for that purpose. Fortunately, most media outfits declined the Department of National Defence's offer.

When will the government realize that this country's means no longer match its ambitions and that the Department of National Defence must stop such frivolous spending?

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[*English*]

## TOBACCO

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, recently the Imperial Cancer Research Fund released the staggering results of the longest and most extensive study ever undertaken into tobacco use. Their findings show that smoking causes 100 times more deaths than it prevents and at least half of these smokers will be killed by their habit.

• (1405)

These statistics are shocking but even more shocking is the fact that in the six months since the government rolled back the taxes, sales are up 41 per cent.

This sharp increase in overall consumption is directly attributable to the drop in prices. The federal Minister of Health said it is time for Canada to share the expertise it has gained in its efforts to reduce smoking in Canada.

The government is guilty of negligence with its policy in this regard. It should now do the right thing and scrap the tobacco tax rollback which has backfired so badly. Anything less will cost us hundreds of millions of dollars in lost GNP, increased costs in health care, and untold human suffering and death.

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## PORT OF SAINT JOHN

**Mrs. Elsie Wayne (Saint John, P.C.):** Mr. Speaker, the business and traffic in the port of Saint John was extremely good this past year. The port set a record for total port throughput by handling just under 20 million tonnes of cargo over a 12–month period. As well, total traffic is up 11 per cent over the same period last year.

Yesterday a Canadian Press story from Halifax, Nova Scotia, referred to a senior official from CP who stated that the city of Saint John and the port of Saint John would be negatively affected by his company's bid to take over the CN Rail line and to sell off the rest of its Atlantic operations.

At a time when the port of Saint John is active and many people earn their living at the port, we must not lose our rail infrastructure.

I urge the Prime Minister and his government to ensure that the rail links to and from the port of Saint John are a priority with any of the government's discussions with CP.

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## HAZEL MCCALLION

**Mrs. Carolyn Parrish (Mississauga West, Lib.):** Mr. Speaker, I rise in the House today to welcome the mayor of Mississauga, Hazel McCallion, who is visiting Ottawa.

While the mayor's party affiliation has always been a mystery, her politics are clear. Born in the Gaspé, she has served the public for 27 years, 16 years as mayor of the ninth largest city in Canada.

Mississauga is debt free with almost half a billion dollars in reserves. All public buildings, including the new city hall, are mortgage free. A $60 million Living Arts Centre is currently under construction, thanks to the mayor's personal fundraising

efforts and to the recognition of the Minister responsible for Infrastructure that such projects are a worthwhile use of infrastructure money.

Again, I wish to welcome Mayor McCallion to our fair city. I would also like to issue a warning to batten down the hatches. She usually stirs up a pile of trouble wherever she goes.

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## CANADIAN FOSTER FAMILY WEEK

**Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, on behalf of the Ontario Association of Childrens Aid Societies, I wish to bring to the attention of the House that this is Canadian Foster Family Week.

In this International Year of the Family the celebration of the contributions of foster parents is even more significant. It is important to recognize that nearly 5,000 Ontario foster families provide much needed care, nurturing and stability for children in need of protection, many having suffered from abuse and neglect.

Between 1982 and 1992 the number of foster families available to care for children dropped substantially. This created personal challenges for the Childrens Aid Societies and in some cases required the separation of siblings and a move far from the child's home community.

Canadian Foster Family Week provides an opportunity for members of this House to recognize the contribution of foster families in their respective communities. We must alert the general public to the need for more foster parents to care for children who need the special love and care that foster parents can provide.

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## NUCLEAR WEAPONS

**Mr. Jean-Robert Gauthier (Ottawa—Vanier, Lib.):** Mr. Speaker, I would like to take the opportunity to state on the record my opposition to the decision of the Chinese government to continue the testing of nuclear weapons.

For the third time in the past year China has detonated an explosive nuclear device, an action clearly out of step with the negotiations currently under way in Geneva to reach agreement on a nuclear test ban treaty. Indeed China is the only one of the five nuclear states not to adhere to the moratorium on nuclear testing in effect for the duration of these negotiations.

The Chinese government claims that the devices being tested are limited in scope and to be used for defensive purposes only. Regardless of such claims, I would like to echo the concerns of many of my constituents and I think most members of the House, to tell the Chinese government that we do not appreciate this kind of testing and would like to see it stopped at this time.

• (1410)

[*Translation*]

## EMPLOYMENT

**Mrs. Francine Lalonde (Mercier, B.Q.):** Mr. Speaker, the Prime Minister has spoken at great length about Canada's generous system of redistributing wealth from one province to another. And yet, in its reform of unemployment insurance in the last budget, the federal government went looking for close to $1.4 billion in the pockets of unemployed workers in Quebec and the Maritimes. Close to 60 per cent of the initial cuts are affecting these regions, which are hard hit by the job crisis.

Now, as a result of social program reform, these regions will again bear the brunt, with cuts in the billions of dollars. Quebecers will not accept a reform whose sole objective is to slash programs. Although opposition to the reform is widespread, Quebec's response to this attack will be quite different. When it attains sovereignty, it will be sure to implement a full employment policy, using its own resources.

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[*English*]

## MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

**Mr. Cliff Breitkreuz (Yellowhead, Ref.):** Mr. Speaker, in just 31 days a group of MPs will be swaggering up to the trough and stuffing their snouts into it. Yes, 52 MPs will become eligible to slurp from the insanely rich MP pension fund November 21. Potentially they could suck $53 million out of the pockets of Canadian taxpayers.

Canadians find it absolutely unacceptable when the Prime Minister says he is dedicated to spending cuts and continues to allow this kind of taxpayer abuse.

The national debt is now $534,994,000,000. Canadians demand the Prime Minister act now to stop national trough day before it is too late.

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## GUN CONTROL

**Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.):** Mr. Speaker, once again we have had another Canadian citizen fall victim to a fatal gun shooting.

Last week Stephen Braithwaite lost his life after a parking lot gun battle at an after hours club in North York. According to police reports at least two automatic or semi-automatic weapons were used in this gun fight.

Canadians are wondering what these guns are doing on the streets in a public place and how they were obtained.

This is not an isolated incident. Police have reported that there have been quite a few other gun related incidents at these clubs over the past month. Law–abiding citizens living around these after hour clubs are extremely concerned. They cannot properly raise their families when they are constantly living in fear.

I call on the government to initiate a solution to this problem. Let us work with the provincial governments to clean up our streets.

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## NATIONAL FORUM ON HEALTH

**Mr. Rey D. Pagtakhan (Winnipeg North, Lib.):** Mr. Speaker, today's launching of the National Forum on Health marks the dawn of an exciting new era in Canada's medicare.

For too long Canadians have been concerned about long waiting lists, rising drug costs, the scarcity of rural physicians, inefficiencies in the system, quality of home care and many more.

At the same time, they know Canada must cope with costs due to new technology, new drugs, our aging population and the emergence of new diseases.

The forum, chaired by the Prime Minister, will bring together Canada's wealth of talent and knowledge in the health care field such as that of Dr. Noralou Roos of Winnipeg. It will engage Canadians in developing solutions to challenges facing medicare, taking into account its five basic principles and all the major determinants of health.

The National Forum on Health will set the framework for Canada's renewed vision of medicare as we approach the 21st century. Let us applaud the government.

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## INFRASTRUCTURE PROGRAM

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.):** Mr. Speaker, I want to read you an excerpt from a letter: "I am writing to further offer my strong support for the project because of the significant job creation this project will provide—One of the main objectives of the infrastructure program is to promote public and private sector partnerships that will not only improve the local and regional economic climate but also help Canada as a whole attract corporations by providing prime business opportunity—".

One would logically assume that the Prime Minister or the minister responsible for the program would have made this statement.

• (1415)

The fact is that the member for Simcoe Centre made this statement in support of infrastucture programs in the city of Barrie despite condemning them yesterday.

The national infrastucture program has been a catalyst for job creation. If the Reform Party followed our government's example perhaps the public would not be so cynical of politicians.

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## SOCIAL SECURITY REFORM

**Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.):** Mr. Speaker, social security reform is a very serious issue for all Canadians. It offers alternatives to address the serious challenges we must face.

In Atlantic Canada social security reform left many unanswered questions in relation to seasonal employment. I commend the minister of human resources for responding to these concerns and for creating a special committee to study the question of seasonal workers.

[*Translation*]

The committee in question is addressing a serious concern of Atlantic Canada. Special attention must be given to seasonal workers. Social program reform is not only important, it is necessary. I encourage all Canadians to become involved in the consultation process and to express their opinion on the future of our social programs.

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# ORAL QUESTION PERIOD

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Hon. Lucien Bouchard (Leader of the Opposition, B.Q.):** Mr. Speaker, very serious allegations have been made recently about CSIS's infiltration activities. Now come revelations from a former officer of the Communications Security Establishment, another federal agency, who in a book published this week mentions the existence of a special unit called "French Problem" that is responsible for intercepting Quebec government members' telephone calls or having these calls intercepted by foreign services.

For his part, the Prime Minister said yesterday in this House that since he entered politics, he knew nothing about any spying on the sovereignist movement by federal services.

My question is for the Deputy Prime Minister. How can the government pretend, as the Prime Minister did yesterday, not to be aware of federal agents spying on Quebec's pro–sovereignty movement, when the reports of the Keable and MacDonald commissions showed the extent of the RCMP's illegal activities in the 1970s, much activities as planting bombs, burning barns and stealing the Parti Quebecois's membership lists?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I want to draw the attention of the House to what the Prime Minister said yesterday, that the activities of the CSE are totally subject to Canadian laws, including the Criminal Code, the Canadian Human Rights Act, the Privacy Act and the Charter of Rights and Freedoms, and they obey the law.

**Hon. Lucien Bouchard (Leader of the Opposition, B.Q.):** Mr. Speaker, can the Deputy Prime Minister from her seat clearly assure this House that the federal intelligence services, CSIS and the Communications Security Establishment, have not and do not engage in electronic eavesdropping on elected officials and members of the Bloc Quebecois, the Parti Quebecois and the Quebec sovereignty movement and do not have others engage in such activities for them?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I repeat, the activities of the CSE are in no way directed against Canadians, including people involved in politics.

**Hon. Lucien Bouchard (Leader of the Opposition, B.Q.):** Mr. Speaker, we note that Mike Frost's revelations report that interception services do each other favours, some spying on the ministers of others, and so on.

We all noted that the Deputy Prime Minister carefully avoided giving the clear, specific assurance which I asked of her. On such a serious subject involving respect for the law and democracy in Canada, a refusal to deny is the same as an admission.

Mr. Speaker, I ask the Deputy Prime Minister to tell us clearly if we must conclude from the evasive answer she just gave that the federal services are now engaged in such electronic eavesdropping?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, in no way was I evasive. What I said and I repeat, in French and in English, if the hon. member cannot understand, is that the CSE is subject to Canadian law, including the Criminal Code, and to all Canadian laws. They do not take any action against people in Canada who are in politics.

• (1420)

**Mr. Michel Bellehumeur (Berthier—Montcalm, B.Q.):** Mr. Speaker, my question is for the Deputy Prime Minister.

I wish to remind the Deputy Prime Minister that the Communications Security Establishment is not accountable to any review agency. The disclosures made by a CSE spy, Mike Frost, raise the whole issue of electronic surveillance of the sovereignist movement by federal services.

Why is it that, unlike CSIS, the Communications Security Establishment, whose budget is estimated at $200 million a year—yes, Mr. Speaker, $200 million a year—is not subject to any external parliamentary control whatsoever? Who monitors the spies in this country?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I have said it many times and I will repeat it for those who did not understand. The CSE is subject to the Criminal Code of Canada. It does not spy on Canadians or on those who are involved in politics, whether they belong to the Parti Quebecois, the Liberal Party or any other political party. Is that clear enough?

**Mr. Michel Bellehumeur (Berthier—Montcalm, B.Q.):** Mr. Speaker, does the Deputy Prime Minister not admit that, given the recent and very serious allegations concerning both CSIS and the Communications Security Establishment, the government should set up a royal commission of inquiry, as requested, to shed light once and for all on these allegations?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, many books are circulating this week. One is by Claude Morin, one by Joe Clark, and there are others. Are we here to say that all that Claude Morin writes is true? We in the government want to deal in facts.

[*English*]

We want to deal in facts. If the member is interested in slinging the mud, if he believes every word that is written in every book that is flying around town—

**The Speaker:** Order. My colleagues, I would again ask you to please not use any props while you are in the House of Commons. It just leads to bigger and bigger props.

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## HEALTH CARE

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, a funny thing happened on the way to the health care forum.

The provincial governments which have jurisdiction over health care and pay the bulk of the bills are not being allowed to lead the health care reform process. They are sitting on the sidelines.

The Prime Minister would not even agree to share the chairmanship of the forum with the premier of Saskatchewan, the province that pioneered medicare.

My question to the Prime Minister is when is the federal government going to stop alienating the provinces by pretending to lead the health care reform process and let them lead the reform of social programs for which they are constitutionally responsible?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the federal government spends $16 billion of hard earned Canadian taxpayers' money on the health care system. We have a direct interest and a

direct fiduciary responsibility. I am sure that the Reform Party agrees with that.

• (1425)

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the Deputy Prime Minister has declined to notice that the provinces spend 46 per cent of the money spent on health care and private individuals and insurance companies pay 28 per cent and the federal government is now a junior player.

We are wondering who is going to supply the fiscal facts of life at the health care forum. The Prime Minister and the health minister are not strong on math, and the finance minister is here.

My question is for the finance minister. The finance minister has said that everything is on the table in his spending review. This is the new fiscal reality. Can the finance minister confirm that federal health care spending is on the table and is the Prime Minister communicating this fact at the health care forum?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, one of the things that we have made very clear is that not only do we need smaller government, we need smarter government and better government.

**Some hon. members:** Hear, hear.

**Mr. Martin (LaSalle—Émard, Lib.):** They are applauding me and not the leader of the opposition. You had better watch out, Preston.

The reason for the health care forum is that we recognize full well that costs have to be kept under control and we have to be able to deliver services better. We also understand very clearly—because this is the party that brought medicare and hospital insurance in—that we are going to protect the social programs of this country.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, I had a call from a woman in Saskatchewan the other week. The hospital in her community was being completely shut down because of lack of funding. She and others in her community wanted the option of continuing to use the facility even if this required some fee for service. What she wanted is expressly prohibited by the Canada Health Act.

My question for the Deputy Prime Minister is if the federal government cannot maintain funding for health care, will it at least give provinces and communities options other than shutting down hospitals by opening up and reforming the Canada Health Act?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I am a little confused because on the one hand we hear every day from the Reform Party how important it is to be responsible for Canadian tax dollars.

In the light of that responsibility the Prime Minister has committed to a national examination of how to spend our $16 billion federal health care investment better.

The leader of the third party tells us we should leave it up to the provinces. Unfortunately that is not what his critic said. On January 27 in *Hansard*, page 472, Mr. Grant Hill said the federal government should be standing up and setting national standards for our health care.

Who is speaking for the Reform Party, the leader or the health critic?

* * *

[*Translation*]

## TAXATION

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, B.Q.):** Mr. Speaker, my question is for the Minister of Finance. Yesterday, in answer to a question in this House, the Prime Minister left open the possibility that he might renege on his commitment not to increase taxes when he said, and I quote:

> —if people do not want us to make cuts, the alternative is to raise taxes.

So, I ask the Minister of Finance: Are we to understand that the Minister of Finance is contemplating a tax increase for the middle class since, except for cutting indiscriminately in social programs, he is unable to cut where it is really necessary, that is in the government's operating expenditures?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the Prime Minister was very clear yesterday when he said that we really want to lower the deficit by reducing government spending. However, if we cannot reach our goal that way, we will definitely consider other alternatives, including tax measures. Again, I invite the hon. member to make constructive suggestions and I ask him this question: Does he really think that we will eliminate a $40–billion deficit merely by reducing the government's operating expenditures, which amount to $20 billion? The hon. member, who is an economist, should learn how to add.

• (1430)

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, B.Q.):** Mr. Speaker, we have already made seven recommendations to the Minister of Finance. If he wants another one, I will tell him not to raise taxes, as promised by the Prime Minister during the election campaign. He must not do it.

How can the Minister of Finance claim, as he has been doing for four days, that all taxpayers will have to help reduce the deficit when he excludes at the outset the major corporations and the richest families in the country by not taking all appropriate means to ensure that these people pay their fair share of taxes, nothing more but nothing less?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, again I say to the hon. member that he should read the budget tabled in February. He will see that we closed loopholes, such as the $100,000 capital gains exemption, and that we launched the most comprehensive reform ever regarding corporate tax. We closed all kinds of loopholes for corporations. The hon. member should really do his homework.

He says that we must not tax and we must not make cuts, but we have to eliminate the deficit. The problem with the Bloc Quebecois is that it does not know how to add, how to multiply or how to subtract. It only know how to divide.

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[*English*]

## HEALTH CARE FORUM

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, it was really nice to be referred to by personal name by the Deputy Prime Minister in the House today. Might I express what I actually said in *Hansard*. I said there was a place for the federal government in national standards as long as they paid the bill.

The Prime Minister this morning addressed the national health care forum and he stated: "The forum is not an intergovernmental body". A good sense of humour. "This body is missing arms, legs and head".

Will the Deputy Prime Minister admit that this $12 million is being spent to make a minor payer look like a major player?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the member has acknowledged that the national government has a role to play. We are footing the bill to the tune of $16 billion.

On the one hand he is suggesting that we should have no national input, and on the other hand his leader is saying: "Turn it over to the provinces".

What we want and what the Prime Minister is trying to do is to go to the Canadian Hospital Association, to go to the Canadian Nurses Association, to involve the Canadian Public Health Association, to involve the players who are delivering the service on the ground, to see if there is a way that we can spend our $16 billion investment a bit smarter.

**Mr. Grant Hill (Macleod, Ref.):** And that will take four years, Mr. Speaker? Here is the format of the forum that should have been: short and sweet; dialogue from all the provinces, other nations, nurses, physio, disabled and natives; everyone present; and specific goals. All MPs would then consult with their constituencies. The time frame: about a month; results: dramatic.

This is the consultation Canadians want. This is the consultation Canadians deserve. This is the consultation Canadians need. Will the government give us that kind of consultation?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I remind the hon. member that when the Prime Minister launched the promise of the forum as he did in the red book, he did so with the express purpose of bringing the stakeholders around the table.

That is why the Consumers Association of Canada has endorsed the forum. The Canadian Public Health Association has endorsed the forum. The Canadian Medical Association has endorsed the forum. The Canadian Nurses Association has endorsed the forum. The Canadian Hospital Association has endorsed the program.

The players are around the table. We think this $12 million investment will yield dividends in a system that is currently costing us $16 billion. Is that money not being well spent?

* * *

• (1435)

[*Translation*]

## MIL DAVIE SHIPYARDS

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, B.Q.):** Mr. Speaker, my question is directed to the Minister of Natural Resources. We are informed that the shipyard in Marystown, Newfoundland, was unable to deliver on a $35-million subcontract for the Hibernia megaproject. Without calling for tenders, the contract was transferred directly to the shipyards at Saint John Shipbuilding Limited in New Brunswick.

My question is this: Would the Minister of Natural Resources confirm that this $35-million contract was transferred directly, without tender, to Saint John Shipbuilding Limited in New Brunswick?

[*English*]

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, let me explain to the hon. member the process by which that decision was taken. It was a decision of the Hibernia management board. That board is one on which the federal government has one representative out of five. That is by virtue of our 8.5 per cent equity interest in the Hibernia project.

The federal government does not have the intention of micromanaging projects like Hibernia. The decision was a day to day management decision taken by a properly authorized board.

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, B.Q.):** Mr. Speaker, this is all very interesting. However, considering that MIL Davie already bid on this contract in 1993, unlike Saint John Shipbuilding which never bid on the contract at all, will the Government of Canada, as a full partner in Hibernia, need I recall, exert the necessary pressure to reverse this decision and give the contract to MIL Davie, or will it do everything it can to close down MIL Davie, which might gladden the heart of the Minister of Transport?

[*English*]

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, let me reiterate that the federal government has no intention of involving itself in the day to day management of the Hibernia project.

However, if my hon. friend would like to discuss with the Hibernia management consortium the reasons for its decision in relation to moving part of that contract, not the entire $35 million contract, to the Saint John shipyard, I will be happy to provide him with a name after question period.

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## CORRECTIONAL SERVICE CANADA

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, my question is for the Solicitor General.

At 2 a.m. this morning it was reported that convicted murderers, Allan Kinsella and Serge Damien, escaped from the Bath minimum security prison.

Allan Kinsella has 29 adult convictions, previous escapes, a history of parole violations, and was recently denied early parole under section 745 because a jury felt that he was still a threat to society.

Why would this convicted murderer be incarcerated in anything less than maximum security?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, there is a correctional service investigation under way into the circumstances of the escape. I am asking for a report on the classification of the prisoner who I understand has been in a medium security institution since about 1986.

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, although it was recorded at 2 a.m. today, the escape actually occurred at 11 p.m. last night when the murderers placed a ladder against an alarm fence. The escape went undetected for three and a half hours because no one took the time to check the alarm.

Lives are at stake in my riding because of this escape. The Solicitor General is responsible for what happens in prisons. What action will he take to ensure that it never happens again?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, I have asked for an immediate, thorough investigation into the matter. In light of the investigation I will take all necessary steps to deal with any problems that are identified.

* * *

• (1440)

[*Translation*]

## FORESTRY DEVELOPMENT

**Mr. René Canuel (Matapédia—Matane, B.Q.):** Mr. Speaker, my question is for the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec. We would like to remind him that the Eastern Quebec Development Plan affects 5,800 woodlot owners in that area. The Bloc Quebecois has been asking the same questions for months, but the federal government has yet to confirm its intentions regarding the Eastern Quebec Development Plan.

What is the government waiting for to go ahead and extend the plan until a regional forestry development agency is created?

[*English*]

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, I would like to inform the hon. member that the minister responsible for regional development in Quebec and I will be meeting with eastern woodlot owners, municipal development corporations and representations from that region on Monday, October 31.

[*Translation*]

**Mr. René Canuel (Matapédia—Matane, B.Q.):** Mr. Speaker, the minister has been telling us for several months now that she is going to meet with these people, but she keeps on postponing her visit. Do you realize that your lack of action, the inaction of your government, is creating an unhealthy climate of uncertainty for the 5,800 woodlot owners in these regions? They are very worried.

[*English*]

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, let me simply reiterate that my department and I have been in discussions with the woodlot owners from eastern Quebec over the past 10 months.

As I have already indicated this afternoon, the minister for regional development for Quebec and I will be meeting with the woodlot owners. We are very aware of the importance of the issue for eastern Quebec and we will be working on options for the future.

## CANADIAN WHEAT BOARD

**Mrs. Marlene Cowling (Dauphin—Swan River, Lib.):** Mr. Speaker, my question is for the Minister of Agriculture and Agri–Food.

The Canadian Wheat Board has come under attack in recent weeks, attacks designed deliberately to weaken the board and force farmers to accept a dual marketing system.

What assurance could the minister give prairie farmers that the government continues to strongly support the Canadian Wheat Board and opposes a dual marketing system for wheat?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, the Canadian Wheat Board is a strong pillar of our grains industry. The record shows, I believe, that the board has done an extraordinarily good job. However there is controversy among farmers about marketing systems and about the role of the board.

We need to have a legitimate and respected mechanism to respond to that controversy. I am in the process now of selecting up to five eminent westerners to lead this effort. I hope to be able to announce them and their specific mandate by about the end of October.

**Some hon. members:** Oh, oh.

**Mr. Goodale:** It is interesting to hear the reaction of the Reform Party which only likes to shout in the rabble and not hear the facts of the case. That is what is wrong with the debate about the Canadian Wheat Board because of the volume level of those who would rather not let the other side have their say.

We are trying to establish a forum where there can be a thorough exchange of information, where the discussion can be structured and cross–examined, and where technical detailed information can be reviewed and put forward.

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## JUSTICE

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, recently the Supreme Court ruled that extreme drunkenness is a viable excuse for rape.

Citing this ruling on Tuesday in an Ontario court, a drunken man was given a light sentence for sexually assaulting a woman. It appears that he will probably serve the sentence in a halfway house while still going to work.

On October 3, I asked the Minister of Justice what his plans were to eliminate such nonsense. The parliamentary secretary said they would come forward with a report.

I have two questions: Where is this report and what are its recommendations?

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as I stated before, this is a very serious question. The Minister of Justice is concerned with it. He is taking it very seriously. The department is working on it very carefully.

• (1445)

It is not possible to make new laws in a few days. Good laws are going to take a little while but I can assure the House that this will not take any longer than absolutely necessary.

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, Canadians are growing tired of hearing the response of more deliberations and general intentions. They want action. The Reform Party is prepared to introduce an amendment to the Criminal Code to deal with the intoxication offence. Would the government give unanimous consent today for speedy passage of this amendment?

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I appreciate the hon. member's offer for assistance but it is very difficult to make an amendment to something that the justice department is working on and has not yet presented to the House.

* * *

[*Translation*]

## FERRIES

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, B.Q.):** Mr. Speaker, my question is for the Minister of Transport.

Following the *Estonia* disaster, Finland and Sweden ordered their ship owners to weld the bow doors on this type of ferry. In Canada, four ferries similar to the *Estonia* face deep–sea weather conditions that are as difficult as those on the Baltic. One of these ferries, the *Bluenose*, is operated by the federal government under the Bahamian flag.

Since several experts recognize that this type of ship has major safety risks, can the minister explain to us what he has done to avoid a tragedy with the four ships in service in Canada?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, of course everyone who knows about the tragedy which happened overseas understands the importance of the hon. member's question. We dealt with the issue immediately. We know that the British Columbia government was concerned about its ferries which might present problems. The four ferries, the four ships to which the hon. member referred have been

evaluated. This very afternoon, I will be meeting with the president of Marine Atlantic to assure myself that the necessary action is being taken in Canada.

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, B.Q.):** Mr. Speaker, since the *Caribou* and the *Bluenose* have already suffered storm damage to their outer door, does the minister not believe that it is his duty as Minister of Transport to take much more significant action than simple tests and checks?

[*English*]

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, we all understand the importance of this question. It is a very serious matter. We recognize that technology could have some problems.

As I indicated, I am meeting with the president of Marine Atlantic this afternoon. We have had the Coast Guard do an evaluation of the four vessels in question. The only thing I can hope for is that where these vessels travel as they conduct their conveyance of passengers and vehicles that they never run into the kind of hot wind the hon. member often comes up with.

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## DANGEROUS OFFENDERS

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question is for the Solicitor General.

Investigations after the fact are meaningless. This is the 11th hour for Helen Leadley and her family who live in my riding. This is also the fifth time that I have risen in this House to challenge the rationale for giving Robert Paul Thompson an escorted temporary absence tomorrow.

Will the Solicitor General explain to victims everywhere why such a dangerous criminal who has killed before while out on a day pass has been given the opportunity to do so again?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, this temporary absence is being made on the decision of the head of the institution, on the recommendation of the National Parole Board.

I am informed the prisoner will be out for a two hour visit in shackles and leg irons, escorted by two guards. I hope the hon. member will agree that the risk is under control.

● (1450)

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, I agree with nothing. I am asking, I am beseeching the Solicitor General who has the legal opportunity to intervene in this situation. I have had a legal opinion given to me and indeed he can do this. Why will he not do this before another innocent victim is murdered? Excuses of shackles mean nothing.

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, I understand the hon. member's concern. Like her, I do not want to see risk created by such absences for anyone. My understanding of the legal position is not the same as the hon. member's.

I again repeat to her that this individual will be out for a couple of hours in shackles and under the escort of two uniformed guards. I hope the hon. member on reflection will again be willing to consider that the risk is under control.

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## SOCIAL PROGRAM REFORM

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Human Resources Development.

The discussion paper on social security reform could have serious implications for seasonal workers. This is a critical issue in Atlantic Canada where many people have no choice but seasonal employment. What measures is the minister taking to ensure that the UI changes will be fair to seasonal workers?

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I would like to thank the hon. member for her question and also congratulate her on the excellent work she has been doing on social security reform.

A working group has been created by the government on seasonal work and UI. It is formed to look at practical solutions to the concerns of seasonal workers and the industry. The members represent a good regional balance as well as the interests of both seasonal and non–seasonal workers and employers. Its role is to engage interested parties from business, labour, industry and associations to provide guidance in this particular issue.

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[*Translation*]

## TELECOMMUNICATIONS

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, B.Q.):** Mr. Speaker, my question is for the Minister of Canadian Heritage. On January 1, 1995, more than six months after *Newsworld*, RDI, the new French–language continuous televised news reporting service that francophones across Canada had been promised is expected to start broadcasting.

Can the Minister of Canadian Heritage confirm that the CBC does not currently have the funds required for RDI to start broadcasting, as planned, on January 1, 1995?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I have no information at hand that would allow me to confirm any such thing. However, the Chairman of the CBC is committed to negotiating with cable operators for the

distribution of the RDI. I am keeping track of the negotiations and, so far, they are progressing well. This means the service should be in operation early next year.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, B.Q.):** Since the hon. minister is kept so well informed, Mr. Speaker, my supplementary question concerns cable operators. Can the minister confirm whether there is any truth in the rumour that cable operators have already asked to distribute RDI at no cost for the first three months?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I do not interfere in negotiations between the CBC and cable operators. I will see where they lead. Then, we will see whether or not the CRTC will follow up the CBC's request for mandatory distribution.

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[*English*]

## AGRICULTURE

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, my question is for the Minister of Agriculture and Agri–Food.

Today in his hometown a rally is being conducted by farmers who want more options on how they market their grain. Could the minister please explain to this House why he has decided not to be present to listen to these farmers?

• (1455)

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, the hon. member only tells part of the story. In fact there are two rallies taking place in Regina today, one in favour of his point of view and one in favour of the other point of view. He should be a little more even handed.

I was invited to attend one of those meetings. I indicated that because the House of Commons was sitting and because this happened to be a cabinet day and a busy agenda from the point of view of agricultural interests, it would not be possible for me to be in Regina.

I did say to the people who invited me that I would be prepared to meet with their representatives at another mutually convenient time in the near future. I also said that if they had a written record of their proceedings I would be more than happy to receive it and consider it.

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, I find this ironic. Every time I bring up a question to this minister in the House on issues like car allocation or non–performance of railways he says: "I have consulted all players".

Does this minister consider farmers non–players? Why is he not listening to them today?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, the question refers to some farmers. It is my intention in this very important debate about grain marketing systems to make sure that I listen carefully and accurately to all farmers. I would advise the Reform Party to do the same.

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## HUMAN RIGHTS

**Mr. Svend J. Robinson (Burnaby—Kingsway, N.D.P):** Mr. Speaker, my question is for the Secretary of State for Asia–Pacific. It concerns the upcoming visit of the Prime Minister to China as leader of a trade delegation.

I have before me a document which was prepared by the deputy chair of the Immigration and Refugee Board of Canada. It documents widespread human rights—

**The Speaker:** Order. I would ask the hon. member to put his question without the use of a prop. Just put the question please.

**Mr. Robinson:** Mr. Speaker, will the secretary of state assure Canadians that the Prime Minister will vigorously and publicly raise human rights concerns including China's arms sales and nuclear tests during his upcoming visit to China on November 4?

**Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.):** Mr. Speaker, I would like to thank the hon. member for his question.

Human rights is indeed a very big item in the government's foreign policy agenda. In all possible fora in multilateral institutions, Canada has never backed out from taking a very strong stand on human rights issues.

However we never believe that confrontation is the best way to go. Canada has been involved behind the scenes in many programs dealing with human rights issues in China, through CIDA, through co–operation, dialogues and so on. These actions will help the government in China to understand and respect human rights.

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## EMPLOYMENT

**Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Human Resources Development.

As stated in the green book on social security reform, in this age of ever changing technology and work environment training is key to getting and keeping a job.

In light of recent and pending layoffs in my riding, can the parliamentary secretary explain how this government will ensure that laid off employees obtain effective and timely retraining?

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I would like to thank the hon. member for his question and his concern about seasonal workers.

I would like to make it very clear that the key objectives of the social security review are to help Canadians get jobs and keep jobs, to help those who are the most vulnerable in our society and to do that in a sustainable manner.

In the green book we speak about employment enhancement programs that include training and upgrading. It is essential for us to upgrade the skills of the Canadian public so that we can compete in the ever competing world in the 21st century.

* * *

• (1500)

## PRESENCE IN GALLERY

**The Speaker:** Colleagues, I draw to your attention the presence in the gallery of Mr. Wen Shizhen, governor of the province of Liaonning, People's Republic of China.

**Some hon. members:** Hear, hear.

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[*Translation*]

## BUSINESS OF THE HOUSE

**Mr. Michel Gauthier (Roberval, B.Q.):** Mr. Speaker, as is customary on Thursday, I wish to ask the Leader of the Government in the House what the business of the House will be in the next few days.

[*English*]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Madam Speaker, I would now like to present to this House the weekly business statement.

This afternoon the House will continue its consideration of Bill C–54 respecting the Canada Pension Plan and the Old Age Security Act. If this is completed the House will revert to consideration of the departmental reorganization bills: C–46, industry; C–52, government services; and C–53, Canadian heritage. We will follow that with report stage and third reading of Bill C–36 regarding the Split Lake agreement.

Tomorrow the House will begin second reading of Bill C–55 regarding Yukon surface rights. If this is completed the House will return to the same back–up list I have set for today.

On Monday next the House will resume the debate on social security reform.

Also, I am hereby allotting Tuesday as an opposition day.

On Wednesday the House will resume its consideration of those uncompleted items I have already mentioned.

This completes my statement, Madam Speaker.

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## WAYS AND MEANS

NOTICE OF MOTION

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Madam Speaker, pursuant to Standing Order 83(1) I wish to table a notice of ways and means motion and explanatory notes relating to the implementation of the agreement establishing the World Trade Organization, and I ask that an order of the day be designated for consideration of this motion.

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# GOVERNMENT ORDERS

[*Translation*]

## SOCIAL SECURITY PROGRAMS

The House resumed consideration of the motion and of the amendment.

**Mr. Réal Ménard (Hochelaga—Maisonneuve, B.Q.):** Madam Speaker, if I may, I would like to reiterate that Bill C–54 is particularly significant because it substantially changes some aspects of four pieces of legislation that are ultimately central to income support for the most disadvantaged in our society.

As the Official Opposition, we had an opportunity to say that we see in this bill a number of positive points but we still have three concerns which I will be happy to discuss with you.

Before being interrupted in a friendly way by our Speaker, I had explained to the hon. members that we were happy with two positive aspects of the bill and I was about to discuss the third point, which will give OAS and spouse's allowance recipients an avenue of administrative recourse without them having to appeal to another court. We agree with this effort to simplify administration. We are also pleased that this bill allows recipients to settle overpayments quickly and to avoid more red tape.

• (1505)

We have three main concerns with this bill. Our first concern lies at the centre of democratic life and concerns access to personal information that would be extended to other departments. This concern—that the bill before us allows other departments and agencies to access information on recipients—is the subject of an amendment to the bill.

It must be understood—and I think it is important for our viewers to understand it as well—that this bill adds to the list of departments and agencies that will have access to the information given by program beneficiaries. This list will grow so much that even Canada Post will have access to this information, although it has not been explained to us why Canada Post would need this type of information. We think there has been an oversight, a lack of accuracy which, in the long term, could lead to abuse.

The list of departments and agencies which will be able to access this information is also expanded. The result is that the Correctional Service of Canada, the Commissioner of the RCMP, the Department of Justice, the Attorney General and any other person designated as a health care professional will have access to that information.

No justification has been made for expanding that list. Yet, such a measure could lead to abuse and to violations of the principles of democracy.

I draw your attention to the fact that the Correctional Service will even be allowed to prosecute inmates who are pensioners to ensure that these people continue to pay off debts incurred in the past. We would have liked the act to provide more details where it authorizes any person designated by the minister as a health care professional to have access to information by name.

Why not be more specific? Why not say exactly what we are talking about? Why be so vague? You will agree with me that past experience has demonstrated the importance, for the legislator, to specify who, and in what specific circumstances, can have access to such information. I see the Minister of Revenue nodding his head. Heaven knows how important access to important information by name is for his department.

We would have liked this bill to provide some bench marks, to be more specific regarding the managers and the officials who will have access to such information by name, as it concerns the private lives of individuals. In fact, we know from past experience that failure to do so by the legislator results in abuse which, in turn, leads to representations before administrative tribunals or courts of law.

This is the reason for the amendment tabled by the hon. member, and I hope that this House will adopt it. In fact, I will read that amendment again, so that viewers can understand what the Bloc Quebecois is trying to do.

• (1510)

Our position is that we agree with the essence of this bill. We agree that it provides for a substantial reduction in administrative procedures. However, considering some of the concerns we have about the bill, we ask that:

> "this House declines to give second reading reading to Bill C–54, An Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, because it does not provide a penalty under the Criminal Code for the disclosure of personal information concerning beneficiaries to persons who are not legally authorized to such information pursuant to Access to Privileged Information."

There is quite a contradiction here. We have legislation that is intended to protect the privacy of Canadians, and we have legislation before the House today that fails to provide any mechanisms for laying charges or imposing formal sanctions, in the case of public employees who might be guilty of unauthorized disclosure of information.

You do not have to be a member of the Canadian public service to know that this has been known to occur in the past. Why did the minister not propose mechanisms to prevent such practices?

So this is a serious concern. Madam Speaker, this is a fundamental error which should be corrected, and that is what we are doing, as part of the responsibilities and duties we have as an Official Opposition that takes those duties very seriously.

Our second cause for concern is that clearly, Bill C–54, in addition to streamlining certain administrative procedures, reflects an austerity policy the government claims to support, an approach reflected in somewhat haphazard cuts of up to $7 billion over the next few years, cuts which, as they were in the past, will be at the expense of the less well–off in our society.

Our listeners and members of this House should recall that in the past, those who failed to apply for old age security benefits within the prescribed period could do so retroactively for up to a maximum of five years, which gave people considerable leeway.

Today, the government wants to reduce this period to one year. Aside from the somewhat shortsighted, financial considerations that might deprive Canadians of the basic right to get their pension benefits retroactively over a period of more than one year, there is no indication of what this is supposed to accomplish, since it is not a measure that will benefit Canadians.

The government is getting ready to put an end to the five–year retroactivity provision which is in force until this bill is passed. In an effort to balance its budget, the government wants to reduce, arbitrarily and without giving any explanation, retroactive payments to pensioners. It is estimated that up to 1,200,000 people availed themselves of this right to recover retroactively their Old Age Security pensions.

This is an important issue. There are many reasons why people may have to apply retroactively for old age pensions. Instead of getting five years of retroactive benefits they will only get one, and we believe that it is unfair. We are totally against it.

There is another administrative measure aimed at balancing the budget we disagree with because we believe that it is not in the best interests of our fellow citizens. Let us keep in mind that

when we are talking about Old Age Security, we are not talking about wealthy people.

• (1515)

We are talking for the most part about people who are not financially independent. We are talking about people who are depend largely on transfers from the government, namely Old Age Security.

Therefore, the other point about which the opposition is in disagreement with the government is the elimination of the deadline for the recovery of overpayments. We have to realize that, when you are dealing with social legislation, any kind of legislation under which civil servants, managers, must review applications, interpret the act and justify their decisions, human nature being what it is, it might happen that, even with the best of intentions—and we do not doubt the good intentions of civil servants in Quebec, in Ottawa or elsewhere—overpayments are made. It means that people are given rights they were not entitled to, in the strict sense of the law.

From now on, the government will be able to ask that money paid in excess be reimbursed and there will be no time limit for this; to use a legal expression, there will be no statute of limitations. In the past, when overpayments were made to recipients, we could not ask for the amounts owing to be remitted after two years had gone by. Today, the government is assuming the right—a right basically unprecedented in social law—to recover overpayments at any point in time.

This means that, under this legislation, if someone incurred a debt 15 years ago and an erroneous decision was made concerning this person, we could recover this money. I can see my hon. colleague nodding. I guess she agrees with me. It is always a pleasure to receive support from the opposition, a support as unusual as it is unsubstantial. No limit will be put on establishing overpayments. This is a practice that hardly seems to be in the interest of our fellow citizens.

We have concerns about another thing. We realize that this bill provides for an appeal procedure enabling our fellow citizens who receive old age security and a pension under the Canada Pension Plan to appeal, to go before an administrative tribunal and challenge decisions that were made and that they disagree with. Such review tribunals are commonplace, of course, in administrative and social law.

There are review tribunals for the CSST, for income security, for the motor vehicle insurance bureau, and that is how it should be. We are not concerned so much about—seeing that I have but one minute remaining, I will make this my conclusion, as I was about to close— the existence of appeal mechanisms, as about the minister having the power to discontinue the payments of benefits when no decision has been made under the appeal procedure.

Therefore, while recognizing that some administrative adjustments may be in order, we cannot support this bill without the amendment put forth by the Official Opposition, which would have the effect of really limiting the actions and powers of those who will be handling personal information data banks. So, we have every confidence that the government will approve the opposition's proposal. I thank you for the speaking time I was given.

**Mr. Jean Landry (Lotbinière, B.Q.):** Madam Speaker, I listened very attentively to my colleague and I would have a question for him. Just now, he told us about $7 billion in cuts to the poorest people. I would like him to give us some alternatives to these cuts. Where else could one cut, except at the expense of the very poor? I would like the hon. member to give this government some alternatives.

**Mr. Ménard:** Madam Speaker, as you see, this is a very relevant question, which shows us how deeply committed our colleague is. We have always had quite a clear position on this.

• (1520)

The opposition party operates on the principle that full employment has been possible in small countries which had all the instruments they needed to bring it about, but it is not possible in the Canadian context since two levels of government take action which is often contradictory.

We see now that countries with an unemployment rate of 3, 4 or 5 per cent, which is called frictional unemployment and is acceptable, are those which have acquired mechanisms for joint action and co–operation. They have been able to bring together around a table at the national level people from labour, management and professional corporations to set macro–economic objectives.

Of course, such a solution is not possible in the Canadian context because two levels of government are in competition without regard for efficiency.

The second solution that we think we can contribute concerns a thorny issue which is a disgrace for this government, namely family trusts. We know that plugging this loophole could save billions of dollars.

Finally, when it comes to corporate taxation, we see that companies pay less tax in Canada than in other OECD countries. We think that corporation taxation should be reviewed. If Mr. Martin were a courageous man—and we on this side of the House long ago realized that the Minister of Finance does not really qualify as courageous—he could have reviewed corporate taxation in February so that the government could collect the amounts which it is now lacking.

We have three approaches: one involves a political reconfiguration, one that will be possible when two sovereign states with all the powers they need can deal with each other as complete equals; this means sovereignty for Quebec and a redefinition of what English Canada should be. The second approach of course involves the tools at the finance minister's disposal, if he has political courage and integrity. Certainly,

when you form a national government as the Liberal Party does and you take money from your election fund so that your party can live, you get that money from the private sector and you have close ties to those people, so it is not easy for a finance minister to raise money for his party and also to revise the tax system in favour of the less fortunate. However, in Quebec, we do not have that problem, since we have passed legislation on democratic financing.

**Mr. Antoine Dubé (Lévis, B.Q.):** Mr. Speaker, I wish to ask my colleague if reducing the deadline from five to one year indicates, in his opinion, that the government is contemplating cuts to retirement plans?

**Mr. Ménard:** Madam Speaker, I am pleased to respond to the key question asked by the hon. member for Lévis. I would like to point out that the hon. member for Lévis has always shown affection and concern for the less fortunate, for whom he has been one of the most distinguished spokespersons since he was elected last October. I want to commend him for that.

Our concern about reducing the deadline from five to one year is, who will pay for this? Who can claim retroactively an OAS cheque or a cheque—

**The Acting Speaker (Mrs. Maheu):** Sorry, sir, but your time is up.

[*English*]

**Hon. Roger Simmons (Burin—St. George's, Lib.):** Madam Speaker, on Bill C–54, an act to amend the Old Age Security Act, the Canada pension plan, the Children's Special Allowances Act and the Unemployment Insurance Act, any sane, reasonable scrutiny of this bill would very quickly indicate to almost any informed reader that this has to be what has become known in Parliament as comma legislation, that is to say legislation which seeks to make certain technical changes but substantively has very little impact.

• (1525)

There is a need for comma legislation, technical legislation, to tidy up the business, to make it of more service to the people it is purporting to serve. That is the reality, this is in effect comma legislation. It is legislation that will seek to do a number of important but relatively minor things in the scheme of things.

That is not to say they should not be done. I support the bill and in a moment I will state two or three reasons why I support the bill. However, if we accepted as the reality of the bill and then listen to some of my friends opposite, we would wonder if we are both talking about the same piece of legislation.

As I listened to a bit a of the debate this morning for some strange reason I found myself deciding that what I needed to do was reread an old poem that I learned and taught in high school called "Matilda".

**An hon. member:** "Waltzing Matilda"?

**Mr. Simmons:** No, not "Waltzing Matilda", the other "Matilda". I will not read it all, just a couple of lines that are very much to the point. Matilda, growing tired of play and finding she was left alone, went tiptoe to the telephone and summoned the fire brigade.

We know the story. It was a false alarm. There was no fire. She did it so many times that a few weeks later when her aunt was away at the theatre, that night a fire did break out: "You should have heard Matilda shout. You should have heard her scream and bawl". We know the rest: "For every time she shouted fire, they only shouted little liar". They did not believe her because too often she had used the dramatic overstatement to draw attention to her situation. Why did they not believe her? Along the way by overstating the simple and the untrue she had worn out her credibility.

In a more modern idiom, she was Chicken Little: "The sky is falling. These big bad Liberals over there want to put a comma in the legislation. The sky is falling, the world is coming to an end". That is what we have been hearing for the last couple of days.

I say to my friends in the Reform Party and the Bloc Quebecois that I spent some time in opposition provincially and federally. If they want to check the record I said some fairly dramatic things from time to time. One has to learn that there is a time for making dramatic statements and there is a time for standing up and calling things exactly as they are.

Let us look at this particular bill. This is no occasion for pulling your hair or threatening the end of reality or saying the sky is falling or screaming fire when there is no fire. There is no fire here at all.

The Unemployment Insurance Act would be amended here, for example. Listen how drastically this foul government wants to amend the Unemployment Insurance Act, then decide whether the sky is falling.

Bill C–54 has no impact whatsoever on eligibility criteria or benefit structure of the UI program. What else is there in the program other than the benefits and the eligibility? It has no impact on those matters at all. Here is what it would do, though. It does contain one little amendment, giving the minister the discretion to disclose UI client information only to the commissioner of the RCMP for the purpose of conducting investigations and prosecution, for purposes of ensuring compliance with the law. That is the amendment. That is the sky is falling amend-

ment we have been hearing about for the last day or so in this particular bill.

On the proposed amendment in this bill to the Children's Special Allowance Act, no change again in eligibility criteria or the benefit structure of the CSA program—not a wit of change proposed in this.

• (1530)

There are two amendments though, both advanced for reasons of administration. I believe hon. members are familiar with those. I can read them into the record if they wish.

Let us come to the question of changes for OAS, old age security, and the Canada pension plan. Again we read that the government's sin here is in finding ways to make it a little less onerous for the people out there who are receiving these benefits, instead of having them fill in forms ad nauseam every year as they are required to do now in order to qualify for those supplements. That is what the bill is about. You would wonder if you listened to some of the speeches.

The bill is what I called earlier some comma legislation. I have some advice to give to my friends in all parties including myself. Save the fire call for when there is a fire. When there is some legislation here that we have some real discomfort with then get up and say so. Then people will recognize that we know what we are talking about. Screaming fire when there is no fire creates false insecurities out there. People are asking: "What are they doing to the old age security?".

I will tell them what we are doing with the old age security. I will tell the people watching exactly what we are doing to the old age security in this bill. Instead of that silly form people have to fill in every year, we are going to see to it that they have to fill it in less often, sometimes only once. That is what the bill is about.

What are we doing to the UI? If somebody is out there trying to beat the law, we are going to make it harder for them. If this bill passes, we are going to allow the commissioner of the RCMP to have access to client information for the purpose of prosecuting a person if they are in that particular category.

I identify with those objectives. I have no difficulty at all with those objectives. That is why it gives me great honour and pleasure to rise in support of Bill C–54, because when passed the amendments here will directly benefit and assist over 4 million Canadian seniors, in particular the 1.4 million seniors who are currently receiving the spouse's allowance or the guaranteed income supplement, commonly known as the GIS.

The proposed amendments will allow these seniors, the majority of whom are women, to receive the benefits to which they are entitled with a minimum of red tape. Let us look at a few of the features of the programs we are talking about. Then let us look at why these amendments although small in one way are nevertheless important.

The foundation of the retirement system is the old age security benefit. The OAS pension is paid to individuals 65 years of age and over who meet certain residence requirements. That benefit though is not enough for certain seniors. That is the reason we have additional benefits which are income tested.

The GIS is a monthly income tested benefit payable to seniors with low income, while the spouse's allowance is a monthly income tested benefit payable to the 60 to 64–year old spouse of an OAS pensioner as well as to low income widowed persons in that same age bracket of 60 to 64 years.

The amount of these additional benefits is determined on a sliding scale of income with the maximum paid only to those pensioners with no income other than the basic old age security pension. While having outside income can reduce the amount of the supplement or the allowance, this reduction does not completely offset the benefit since only one dollar of supplement is lost for every two of other income. This ensures that pensioners will be better off for having saved and prepared for retirement.

The GIS and the spouse's allowance are both income tested benefits, and so they are normally based on a recipient's income in the preceding calendar year in accordance with the Income Tax Act. For example, the benefits for the period from April 1994 to March 1995 are based on the income for 1993.

• (1535)

Each year before the benefit can be calculated and paid in April, seniors must fill out a renewal application, including a complete statement of income. Of course, most seniors also fill out their income tax form at about that time with the very same information that they provide on their annual GIS application form.

There in a nutshell is an example of unnecessary government red tape, where the senior sits down, paper in hand, fills out a form putting in certain information related to income and mails it to the income tax people; then goes over to the other end of the table and gets another form, using the same pen and putting down the same answers to the same questions, then mails it off to the old age security. They wind up in offices almost across the corridor in Ottawa or wherever these forms go.

While they may appear so, these two systems do not operate in isolation. The income security branch of Human Resources Development Canada pays the benefit initially on the basis of the GIS application. Later on, usually in the fall, it verifies the income that the client filled out on the application with the assessed income figures received from Revenue Canada to determine if the payments to be made are still correct. However, pensioners often very rightly wonder why they have to give the

information twice and why it takes so long to cross–check the information.

The amendments to this bill will serve to eliminate some of that duplication so that in the future not all seniors will have to fill out the same information twice for two government departments. As well, it will simplify the process of transferring information between the departments, which is already allowed by legislation anyway.

Let me emphasize that the desire to improve and simplify administration is not confined to one department or set of programs. Last year, for example, Revenue Canada introduced three new tax returns for people with straightforward tax situations and one of these returns was for seniors who meet certain requirements regarding age, level and type of income. That return is mailed to people over 65 who have been retired for at least a year with income under $50,000 and receiving most of their income from pensions and investments and receiving old age security benefits.

The simplified tax return which I was just mentioning has large print and provides preprinted amounts for old age security, guaranteed income supplement benefits and Canada and Quebec pension plan benefits. Any lines from the standard tax form that are not needed by seniors are deleted and the accompanying guide is easy to read with large print.

I realize that if I read very much more of this I am going to have everybody sound asleep, including myself, because it is such ongoing straightforward logical information. I thought I would read just a little of it to demonstrate to the House that while some of the speakers have almost had cardiac arrests telling us about the pitfalls of this legislation, the reality is that it could not introduce a mild headache let alone a heart attack.

This is a fairly simple bill. Let us get on with it and allow the government to produce the enabling legislation to simplify those forms for senior citizens and the other matters which I have outlined here, administrivia but necessary nevertheless.

The second point, to reiterate, to all of us here in this House including myself is save the fire screams for fires. I spent slightly more time in opposition than I did in government and so I am very much committed to the role of opposition in government. I happen to believe very firmly that the less effective an opposition is the less effective government is.

I understand my friends from Elk Island and Okanagan Centre, I understand that they want to muse on the possibility of when I will be back in opposition.

• (1540)

I not only happen to accept that possibility but in time would look forward to it. If it is anything that is more debilitating than too long in opposition, it is too long in government. That is the very point I am trying to make to my friends. Good government consists of a good government bench and a good opposition bench as well. To put it differently, if we do not have a good opposition we do not have as effective a government.

One of the mixes of this particular House which is different than any other chamber that I have been in, both other sessions here and in the chamber in Newfoundland where I had the privilege of sitting for 10 years, is that we have a completely new mix in terms of a party, the Reform Party, which heretofore had only one seat in the House and the other, the official opposition, which heretofore had six or seven seats in the House. Almost the entire opposition bench, not to mention a good many of the government bench, is here for the first time. That is refreshing in the context of not getting bogged down in hanging on to all the old things.

It is a particular challenge when one has to come in here on the day one arrives and help make good government. Helping make good government includes being appropriately critical.

Some people talk about the free vote. We have free votes. I am not being tongue in cheek. We have free votes as do all the other parties. We are now finding, having been here a year, that most of our free votes take place in caucus where they should take place. That is why we are a party and not a conglomerate of 52 members or 54 members or 170 members. We are party because our real fights take place. If you saw the exchange, Madam Speaker, I had with a minister in a caucus yesterday you would wonder why the two of us are still in the same party.

**Mr. Hermanson:** Tell us about it.

**Mr. Simmons:** It will cost you but I probably will.

To conclude on this point because it is important for me as a parliamentarian, there are going to be vociferous, strenuous debates in this House. I participated in some of them. Whether colleagues on this side or colleagues on the opposite side, in order to know where they are coming from we have to know if they are Matildas or not. We have to know if they scream fire all the time even when there is no fire. We have to know whether they flag something when it really needs to be flagged.

I say to those people in the Bloc and in the Reform Party as well as in my own party that when the day arrives when they spot something genuinely wrong with the legislation I want to be the first to know. I hope they will count me as enough of a friend to tell me so I can be on the side of right.

Sometimes we engage in partisan rhetoric but there comes a time when you cannot stand with your party because something is genuinely at odds with what you believe. To have that kind of rapport with parliamentarians we have to know that they are not a bunch of Matildas, they are not a bunch of Chicken Littles,

they are not a bunch of people who scream when there is absolutely no need for screaming.

I have much pleasure in supporting the bill and invite hon. members of the House to do likewise.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Madam Speaker, I followed with interest the presentation of the hon. member for Burin—St. George's. He had the typical Liberal approach to problems, don't worry, be happy. He was even discussing cardiac arrest. I am sure if he had a cardiac arrest he would still be saying: "Don't worry, be happy, there is no problem here. Do not bother calling the doctor. We are just fine and if we are not who cares".

He was saying there is really not much in this bill, there is no change. There are a couple of little administrative things here and there. I am quoting him close enough that he will not protest. He is saying there are some little minor administrative changes but basically this bill leaves everything as is with regard to OAS and CPP and the other issues that it deals with.

I would suggest that is probably the problem. That is why we are speaking rather energetically about this bill. It is lack of action. We have seen that from this Liberal government ever since it took office: "We are not going to do anything, no changes. We will diddle around a little, change the administration, have the appearance on the outside as though we are doing something, but everything continues as the status quo".

The hon. member said we should not be suggesting the sky is falling and let us not be alarmists. Perhaps the sky is not falling but I assure the House the foundation is crumbling away and the whole building will fall in on itself.

• (1545)

The government talked about studying. It is becoming almost gritting for one to hear the ongoing remarks that we are going to study this or investigate that. Right now we are having a conference on health but the players are not there. We have talked about fish but there are no fish so we are going to study that. We are studying peacekeeping and defence yet we have no plan. Now we are diddling around with OAS and CPP but we are not really coming to grips with the issue. The foundation is still crumbling.

I wonder how we can study so much and still be so unintelligent and not know what to do about the problem.

I suggest to the member, rather than lecturing the Reform Party about free votes, he look at the seriousness of the situation and be concerned about his constituents who may not have OAS or CPP because while he is looking for the sky to fall, the foundation is crumbling away beneath him.

Perhaps the hon. member would like to respond to the fact that we have a younger generation coming up that has no expectation whatsoever of reaping any benefits from OAS or from CPP. This generation, our generation, has been irresponsible. We have not balanced our budgets. We are creating a debt that is going to be placed on our children that they will never be able to pay. They will not even be able to sustain the social programs that we enjoy. That is unconscionable.

I hope that the hon. member will become a little alarmed and want to change some things to provide a better future for his children and his grandchildren.

**Mr. Simmons:** Madam Speaker, I want to get this glass just about half full so I can demonstrate something. I say the glass is half full.

**Mr. Hermanson:** It's leaking.

**Mr. Simmons:** The member from Kindersley—Lloydminster wants to insist it is half empty.

**Mr. Hermanson:** It's going down. There is less now than there was before.

**Mr. Simmons:** That is the difference between us. One can put a negative spin on anything one wants to. If he is saying to four million Canadian seniors that relieving them of the burden of those forms every year is diddling, in his term, I hope they heard him.

**Mr. Hermanson:** What is the sense of having forums when there is going to be no program?

**Mr. Simmons:** The member makes the mistake of thinking one has the same speech on every piece of legislation. I hear his views. I share many of the views he expressed a moment ago in his intervention. Of course I share many of his views but it has nothing to do with this bill.

If he is saying: "Let's go out and solve the deficit and all you older people, you four million, just wait there with your forms now. Keep filling them out. We are going to rush out and fix the deficit first. We will be back a few years from now and then we will help you with your forms". We can do both. It is not such a big deal. Let us give them a few simplified forms. So work with me on this, Matilda.

[*Translation*]

**Mr. Jean Landry (Lotbinière, B.Q.):** Madam Speaker, I listened very carefully to the hon. member opposite, who talked about fire throughout his speech. And speaking of fire, I would like to say that the government started the fire, and it is now up to the opposition to put it out.

My question is very straightforward. Earlier, in referring to social security reform, the hon. member mentioned one aspect of unemployment insurance reform. My question is about unemployment insurance and one specific point on which I would appreciate some clarification.

The government says it will put in place a mechanism to find people who are cheating. I have no objection to that. I would, however, appreciate a little more information on unemployment insurance reform and what it entails. I would appreciate it if the hon. member could expand on the role of the RCMP in apprehending cheaters. Could we have some more details?

**Mr. Simmons:** Madam Speaker, I would like to say to the hon. member for Lotbinière that my French is still as bad as ever.

[*English*]

Therefore, for the time being I will speak to him in English because I lost the first part of his intervention in French and I apologize to him for that. As he well knows, I like to, when I can, respond to him in his first language. For clarity, let me do it in the other language that I am working on, English.

• (1550)

If he is talking about the reforms generally, I say to him that this certainly is the place to discuss everything, but certainly not the agenda item.

This agenda item is not talking about UI reform. We are talking about a very simple administrative change that would make it possible for the commissioner of the RCMP to enforce the law. It is simply that. There is nothing very sinister here.

We have on our statute books all kinds of examples where there is certain access to information for prosecuting alleged criminal offences. Therefore there is nothing sinister in this legislation so far as that item is concerned. It is a very simple administrative provision that would allow the commissioner of the RCMP to have access to certain client information, UI client information for the purpose of prosecution.

If members subscribe to the basic tenet of law and order, then I do not think they can argue with the need for the commissioner of the RCMP to have access to that kind of information. I do not know whether that answers the member's question. I might have missed something else. If so, I would be glad to hear from him again.

[*Translation*]

**The Acting Speaker (Mrs. Maheu):** I will recognize the hon. member for Lotbinière very briefly, because someone else has a question as well.

**Mr. Landry:** Thank you, Madam Speaker. When the hon. member opposite was spoke earlier, he made a few points about unemployment insurance. Since he has already started to respond to my comments and talk about unemployment insurance, I would appreciate it if he would expand on what he was saying. That was it.

[*English*]

**Mr. Simmons:** Madam Speaker, I understand my time is just about up so I cannot be as expansive as I would like to on this.

Yes, I say to my friend from Lotbinière, I have many views on unemployment insurance and its application. Some of those views do not agree with some of the options laid out in the discussion paper which the Minister of Human Resources Development put before the public in the last week or so. I will have an opportunity to say that as I have already been saying so.

The time will come when we will have, as a result of those discussions, those public consultations—I have begun the process in my own riding and I am sure the member has in his because it is going to be a very thorough going review—and during the day I will have my say. At the end of the day, based on what kind of a package we come up with, I will do whatever the other members of the House will do. I will make a decision as to whether I will support that package or not.

If he wants my views on the issue in more detail I can give them to him when I have some more time. However I do not believe that one can punish people who through no fault of their own are locked into seasonal employment as opposed to longer term employment, for example.

I do not believe we can have in Canada two classes of citizens. We can have all the categories we want but we have to always apply the basic rule of fairness to all. If I had more time I would be much more specific on that issue. I have some strong views.

I have in my riding several thousands of people who drew their first cent of UI two years ago. I have people who fished for 35 years who never drew one cent of UI until two years ago. They fished for 11 and a half months a year. They took Christmas off and never even bothered to fill in the form even though they qualified for a week or two. They went back out again in January as they had done for many years.

My brief is not for people who have learned to beat the system. There are some of those out there. My brief is for those who are generally out of work from time to time and need the assistance of the program to see them through.

**Mr. Ted White (North Vancouver, Ref.):** Madam Speaker, I would like to say, as I have done before, how much I always enjoy the speeches of the member for Burin—St. George's. However it seems to me he may have moved a little to the right of me since I last heard him speak.

He talked a fair bit about fire, in calling fire. The member is looking a little puzzled but I can see that he is a little more to the right than he was the last time I heard him speak. A matter of positioning I think, Madam Speaker.

• (1555)

The member repeatedly talked about the Reform Party crying fire. I think he misinterpreted us. We are calling smouldering embers that could burst into a flame at any time. I was rather hoping he would use his glass of water to douse some of those embers but he never did get round to it.

The bill we are debating, Bill C–54, is a bill full of what, I agree with the member, appear to be pieces of legislative housekeeping. Although there are one or two areas that give me a little concern, I will deal with those a little bit later in the speech.

First I would like to remind the House that Bill C–54 amends the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act, and the Unemployment Insurance Act. Clearly we are dealing with amendments to various social programs, programs which cost taxpayers an enormous amount of money and some of which are currently under review as a consequence of the discussion paper that was presented by the minister of human resources.

No doubt we will have to make some cuts to the social programs in order to gain control of federal spending. In case any member doubts the seriousness of the problem I would like to remind the House that the current debt stands somewhere in the region of $354 billion. This already enormous debt will increase by about another $2 million in the time it takes me to give this speech.

In case some of the members are rushing to check the *Hansard* of October 7, yes, in my speech that day I said that the debt would increase by $1 million, but I have twice the allocated time today so there will be twice as much quality content for government members to absorb. It should not be difficult for anyone to see the risk to our social programs posed by this enormous debt.

On Monday morning of this week I was a guest at Windsor Secondary School in my riding. I was invited by a political studies teacher, Mr. Tony Kapusta, to speak about life as an MP and some of the critical issues that are facing the country today. When I asked these grade 11 students to tell me what they thought were the really big issues facing Canadians, they identified Indian land claims, possible separation of Quebec, an out of control immigration and refugee situation, an ineffective Young Offenders Act, and justice problems in general. They also mentioned the debt and deficit in relation to social programs.

I asked these young people, who will actually have to pay off this debt—it will probably be $600–$700 billion by the time they are out in the work force—how long they thought it took for Canada to incur this debt. Their guesses included 100 years, 50 years. You should have seen the looks of astonishment when they found out that it has basically taken only their lifetime, something less than 20 years to incur this $534 billion worth of debt.

It was also a Liberal government in power when this whole deficit problem began so perhaps it is fitting punishment that many of the same people who were present in that Liberal government of the late 1970s will now be forced to face the problem of the smouldering embers that I talked about a little earlier.

The chief offender in fact may have been the present Prime Minister who, as the Minister of Finance on budget day, November 16, 1978, said: "Significant reductions in the deficit can be expected". The problem is he did not say when.

Now he is quoted in this morning's *Financial Post* as saying that if Canadians will not accept spending cuts in the next budget, then the government has no option but to increase taxes. The whole country is screaming for cuts to government spending and the Prime Minister is still talking about raising taxes.

It took 20 years to incur $534 billion worth of debt and he is still talking about raising taxes. How are we going to pay it off? Let us imagine for a moment that we could somehow manage to eliminate the deficit this year by cutting $40 billion in spending. Then let us say we could somehow manage to cut a further $10 billion from spending and begin applying it to paying off the debt. Allowing for ongoing interest, it would take at least 60 years to pay off the debt. This debt that we have incurred in less than 20 years would not be paid off by our great–great–grandchildren. To achieve that would, as I have just explained, require us to cut about $50 billion from spending this year, $50 billion from a total of about $165 billion or almost one–third of the entire federal budget.

• (1600)

The problem is that every day we delay making serious cuts it becomes harder and harder to take the first step. Every day takes us closer to that time when those smouldering embers burst into flames and the interest payments will end up consuming such a large percentage of federal revenues that the entire federal structure will collapse.

What will happen to our social programs then? What will it matter about all the housekeeping amendments in Bill C–54 if there is no money to pay the benefits?

Bill C–54, because it appears to improve the efficiencies of the Old Age Security Act, the Canada pension plan, the Children's Special Allowances Act and the unemployment act, may not in itself be an offensive bill. But the very fact that it deals with aspects of social programs raises serious concerns about how we can maintain these programs for those who genuinely need them before our out of control federal spending destroys the entire system.

I heard an NDP member in the House yesterday complaining that far too much attention is paid to the deficit. I am astounded that there are still members in the House who have not learned anything from witnessing the collapse of socialism in Sweden. How can they ignore what happened in New Zealand, a country that failed to gain control of its debt? When New Zealand experienced its debt crisis in 1984 there was a labour government in power, the equivalent of the NDP. But all the NDP philosophy in the world did not help them when nobody would buy their bonds. They had no choice but to cut social programs to the bone, to sell off the country's assets, and to deregulate unions; no choice regardless of the NDP philosophy.

Imagine how the labour, let us say NDP, prime minister of the time, the Right Hon. David Lange, must have felt. He had to tell the people of New Zealand that there was no free lunch, that they had been buying their social programs with borrowed money, and that the foreign lenders had decided they were sick of picking up the tab.

Let me read a recent quote from the Right Hon. David Lange:

> There was an enormous revolution in the New Zealand economy. The outcome was that in the course of about three years we changed from being a country that was run like a Polish shipyard to one which could be internationally competitive.
>
> Costs are big. People with privileges were dispossessed of them. They crashed. It was tough. But on the other hand there is something fair about a society which is transparent in its reward to people who work and which does not preserve for those who do not, an inevitable flow of taxpayers' money.

There is a key sentence in there from an NDP prime minister. Let me read that key sentence again:

> But on the other hand there is something fair about a society which is transparent in its reward to people who work and which does not preserve for those who do not an inevitable flow of taxpayers' money.

The message is that people and companies which are cheating the system will have to be cast adrift. The regulations that permit people to collect benefits when they are earning above the average family income must be changed. Our social services have to be seen to be transparent and fair, available to those who really need them and unavailable to those who have been cheating or using the system to their own advantage.

It is extremely important that we voluntarily trim our social programs so that they are preserved for those who truly need them. The alternative could be having to deal with the aftermath of a New Zealand style debt crisis.

There is a lot of talk in the House too about training programs for people who are out of work. The human resources minister has been running around saying that these programs are going to be part of the new, revised social security system. I think the evidence is that government run training programs are on average pretty useless.

I see grant applications for UI training programs coming across my desk on a regular basis, as most members of the House must have. I have done a fair bit of in depth analysis of these programs. Typically they claim great success in placement, sometimes around 80 per cent, but on further investigation I have found that often this means that 50 per cent have gone on to a further training course that they could not have done without the first one. That is considered to be placement when in fact it is not a job at all; it is becoming a perpetual student.

• (1605)

The present programs are openly discriminatory. The application forms require the training company to fill in a quota of women, visible minorities, disabled people and natives. Instead of being able to choose the people with the best chance of success on the course, the trainers are forced to make racist and sexist decisions about who gets to be trained. It is a disgrace that the government is openly encouraging racist and discriminatory practices in its UI training programs. These abhorrent requirements should be removed from the application forms immediately so that prospects for training can be selected without regard to their ethnic origin, sex or religion.

In Vancouver recently I was listening to a radio talk show and a president of a local training company called to say that he was prepared to train people for existing job opportunities and that he would only ask for payment from the UI system when he made a successful placement.

What an opportunity for the taxpayers. Here is a private company that is prepared to risk its own money to select people, to train them and then to put them into a job and only ask for payment when the job is done. But our present laws do not allow for this option.

I would have thought the minister would be falling over himself to introduce an amendment to Bill C–54 that would allow this opportunity. I am very disappointed he has not done so. Instead of making meaningful changes to help reduce the cost of social programs, he is quietly funding special interest groups to lobby his ministry for retention of their own special interest program funding. Six days before he presented his social services discussion paper in the House, the minister's department had already approved lobbying funds to a special interest group in my riding.

I happen to think this particular group does some pretty good work helping disabled people to gain work skills, but I strongly object, on behalf of the taxpayers of Canada, to the handing out of lobbying funds to organized special interest groups. These

groups already have the advantage of being organized, with research material readily available to them and the ability to mount aggressive lobbying campaigns.

In a committee meeting on Monday the minister admitted that many special interest groups have already completed their submissions. How can this be? The people of Canada did not even get the chance to see the discussion paper until the first week of October. The minister has left us with the impression that his favourite special interest groups already knew what would be in it and had received special interest funding to ensure that they lobby to protect their own special interest programs.

How can we believe the minister is serious about social program reform when he has apparently already stacked the deck in favour of specific groups, forgetting as usual the most important single group of people: the workers who pay the taxes and who will have to deal with the debt?

Ministers of the New Zealand government thought that they could play that game too but the game had a finite end. They too used to hand out grants and privileges to special interest groups, to farmers and to businesses, but it all stopped because they failed to address the problem of the debt.

An excellent "W–5" program on the New Zealand debt problem was shown in Canada just over a year ago. In case some members of the House did not get the opportunity to see it, I have arranged to have it broadcast on the internal House of Commons television channel in the near future. I will send notice to all members to let them know when it will be shown.

However, as an update, I would like members to know that the minister of finance for New Zealand rose in the New Zealand House about one week ago to make a very important announcement regarding the debt. He had made a mistake about the budgetary surplus of $600 million predicted for this year. It was not going to be $600 million after all; it was going to be a surplus of over $700 million. The prediction for next year was $2 billion, a surplus of $2 billion, with tax cuts promised for the following year. How I long for the day when a minister of finance can stand in this House and tell us that there will be tax cuts the year after next.

Talking about the Minister of Finance reminds me that the Canada pension plan is also being amended in Bill C–54. The amendments are of a housekeeping nature, but it brings to mind that the finance minister has refused to deny that he may introduce a tax on RRSPs in the upcoming budget. I am sure government members are receiving plenty of letters about it because I certainly am.

• (1610)

Many Canadians have done exactly what the government has been urging them to do. They have been putting aside money for their retirement in RRSP funds. They have put aside these funds because they are afraid the present debtload will cause the CPP system to totally disappear. Even floating a trial balloon about the taxing of RRSP balances is a cruel thing to do, but to refuse to deny it is being considered is completely unacceptable.

The next RRSP season is due to peak around the time the next budget may come down. Unless the minister puts it on record that he will not under any circumstances tax RRSPs, he will cause a tremendous amount of uncertainty in the investment markets and a lot of stress for taxpaying Canadians.

While the government refuses to assure Canadians that their RRSPs will not be taxed, nothing is being done to bring the gold plated MP pension plan into line with the private sector. In the next month or so a large group of Liberal MPs will become eligible for lifelong pensions after just six years in the role of an MP. They will be sidling up to the tax trough for a combined total payout of around $53 million. It is a lifelong pension collected as soon as they are thrown out of office in the next election and fully indexed to inflation in later years.

I would like it on the record that I refused to sign the form authorizing 11 per cent of my salary to be paid into the MP pension fund. Despite this, the 11 per cent is being taken against my will, forcing me to bring this topic up regularly until I am permitted to opt out of the plan, or it is brought into line with plans in the private sector.

I am almost out of time. I did want to question some of the provisions of Bill C–54. Clauses 9 and 23 of Bill C–54 affect clauses 18 and 37 of the OAS act and permit the crown to attempt to recover accidental overpayments from more than a year ago, provided it would not cause undue hardship.

Overpayment is overpayment. I am not sure just because the recipient spent the money that there is a reason not to collect it. The key perhaps is whether the crown was negligent in overpaying and by its actions caused the recipient to believe that he or she was receiving the funds legitimately. I hope this area will be studied and addressed in committee in order to determine the true meaning and purpose of the clauses.

Clause 37 amends clause 86(1) of the CPP act and appears to make it more difficult for out of country residents to claim travel costs in the event of an appeal. I am curious to know how much money is expended on such travel claims and hope that one of the government members can clarify this point for me. I am all in favour of eliminating unnecessary government spending, but I wonder if justice is being done by making it financially difficult to appeal a ruling, especially if the appeal is successful.

Finally, none of us want our children to be deprived of all the social services that Bill C–54 addresses. I do hope the government will start to address the problems soon.

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I have to start by asking the Chair whether or not any thought was ever given to installing a large gong in the House that members could approach and hit.

I am absolutely astounded at some of the comments. It is irresponsible of the member to create fearmongering about all the different things he talked about. I cannot deal with all of them in the brief time I have, but I would like to address the RRSP question, for instance.

The member will know that the federal government had commissioned a major report. It was reported in today's *Ottawa Citizen* that the study the finance minister had commissioned would not be ready before the next budget. The article fairly reflected the fact that there will not be the information available for the minister to consider any major changes to RRSPs and pensions. There may however be some minor changes that may for instance lower the maximum limit one can contribute to an RRSP.

• (1615)

The member is somehow suggesting that every time a question is asked, will the minister do this, he has to say yes or no. That is totally denying the process of discussion with the Canadian public which has just commenced.

Last evening a roundtable of 20 groups representing economic organizations and groups from right across the country came before the finance committee to advise on the process and ways in which the government could address the deficit and the debt. That is consultation which the hon. member is denying. He wants answers and decisions right away before the consultation has even taken place. He discounts the value of communicating and consulting with the Canadian public.

Finally I would simply like to say with regard to MP pensions that I do not think the member is ever going to find any disagreement in this House with the need to reform MP pensions. That is coming. Indeed the Prime Minister said in this House that MP pension reform will be coming.

The government ran on the platform in the red book that included the elimination of double dipping and the delay in pension receipts until retirement age. With regard to those facts, just those two of the many things I could have mentioned, I certainly for one would have opted to take the hammer and hit the gong.

**Mr. White (North Vancouver, Ref.):** Madam Speaker, the member has accused me of fearmongering and making unacceptable statements. I personally do not consider it fearmongering or unacceptable to express the concerns of my constituents in this House.

I am being showered with letters and phone calls from my constituents demanding that this government deny it is going to tax their RRSPs. That is not an irresponsible request; it is a reasonable request from Canadians.

We often joke on this side of the House that question period is properly named because we never get answers. The minister has a responsibility, studies or no studies, to ensure that RRSPs which are the foundation of Canadians' retirement programs are not going to be taxed. It is very important that he does so.

I stand by the statements I made in my speech. I think the member is irresponsible if he does not communicate his constituents' concerns about RRSPs also into this House.

I would like to mention that he also indirectly accused me of fearmongering with respect to the rest of my speech. I would like to make the note that although Bill C–54 is fairly thick and heavy and full of only minor amendments, it does not help whatsoever in reducing this huge deficit problem that we have, $40 billion this year.

Imagine how many hospitals and roads we could build and what we could do to upgrade our armed forces, how much it would contribute to reducing child poverty if we had that $40 billion to spend instead of using it to pay interest on the debt. We could build 12 times as much infrastructure as the red ink book infrastructure program does in one year, 12 times as much in a single year. Vancouver could finally get a freeway capable of carrying its traffic.

We have to do something about the deficit and the debt problem. I stand by every word I made in my speech.

**Mr. Andy Scott (Fredericton—York—Sunbury, Lib.):** Madam Speaker, my hon. colleagues have eloquently shared with members of the House many of the details of the amendments contained in Bill C–54 and many other items as well. However because some hon. members may portray these amendments as detrimental to old age security and the Canada pension plan and unemployment insurance beneficiaries, I am pleased to have the opportunity to set the record straight.

These amendments arise out of a genuine desire to improve the service which the Department of Human Resources Development provides its many and varied clients. At the same time these amendments enable the Government of Canada to pursue other important goals while respecting the rights of its clients and those of the taxpayers of Canada.

One of the amendments contained in Bill C–54 would reduce the period that old age security benefits can be paid retroactively from five years to one.

• (1620)

Some will suggest that the government is robbing pensioners of their pensions. Really what older Canadian, in fact what not

so old Canadian has not heard of the old age security pension. It is probably one of the best known of all government programs.

Everyone knows that we have to be age 65 to get the pension. One of the reasons it is so widely known is that it opens doors to other entitlements. If you receive the old age security pension and have a low income you can qualify for the guaranteed income supplement. If your spouse is between 60 and 65 he or she can qualify for the spouse's allowance.

As well once a person receives the OAS pension they receive an OAS identification card. Many seniors use that as proof they have reached the so–called golden age and are entitled to discounts and special rates that businesses, transportation providers and others offer to senior citizens. Let us not forget the benefits that many provincial and territorial governments provide to low income recipients of the old age security pension.

On the other side however some individuals aware of the five year retroactivity period may in fact decide to delay application for their OAS. Their profit so to speak may be eligibility or increased benefits for other provincial or federal benefits because they are not receiving the OAS.

Further, higher income individuals may look at the five year retroactivity period as a means to defer taxes with the so–called clawback of the OAS.

Given then that the old age security pension is so widely known, is one year not a reasonable period during which to expect that a senior citizen can make application for benefits or have a family member or friend do it on his or her behalf? Indeed data from the Department of Human Resources Development show that the vast majority of pensioners apply not just on time but well in advance of their 65th birthday.

Providing a one year retroactivity period is not only reasonable, it is consistent with the retroactivity periods of other related programs. Even within the OAS legislation guaranteed income supplements and spouse's allowance payments can be paid retroactively for only one year.

As well Canada pension plan benefits which many OAS pensioners receive may also be paid retroactively for just one year. Indeed the two different retroactivity periods have been a source of confusion for CPP and OAS clients and have been very difficult to explain.

Furthermore the amendment would also include a special provision for those individuals who fail to apply because of incapacity which could occur because of serious illness. For these people the bill would allow unlimited retroactivity back to the point that the incapacity began.

This approach to retroactivity for OAS benefits is fair and reasonable and I am sure hon. members will see it as such. To relieve any concerns hon. members may have about this change, there will be a grace period until April 1995. This will enable anyone over the age of 65 who may not have applied for their OAS pension up to now and who could qualify for more than 12 months of retroactive payments to apply under the current rules. This approach is fair, reasonable and I am sure hon. members will see it as such.

I would like to turn to another provision which could cause concern to those not properly informed. This is the amendment to the Old Age Security Act which would remove the existing timeframe restrictions for the recovery of overpaid moneys to OAS, GIS and spouse's allowance clients.

The current legislation allows overpayment benefits to be recovered only if they are discovered and recovery is started in a very short time after the overpayment is made. The provision does not apply in cases of fraud or wilful misrepresentation.

However those situations aside, the restrictions of the existing provisions mean that each year millions of dollars in overpayments must be written off even where the pensioner could easily afford to repay the overpaid amount. It is important to mention that the act already has provisions allowing overpayments to be forgiven if the recovery would cause hardship, the amount is small, or there is no reasonable hope of repayment.

Another proposed provision in this bill would also allow overpayments to be forgiven if they occurred as a result of an error on the part of the OAS administration. The policy for recovery of overpayments also allows for the negotiation of a schedule of repayments to ensure that no hardship would occur to the pensioner.

I should also add that another amendment in the bill would allow Revenue Canada information to be used to verify GIS and spouse's allowance income statements at an earlier stage in the annual process for applying for income supplements. This has been the main source of GIS and SPA overpayments.

• (1625)

The taxpayers of Canada expect us to spend their tax dollars wisely, but Canadians are also compassionate. This amendment would be fair to the taxpayers of Canada while at the same time treating pensioners who have been overpaid fairly and compassionately.

The Department of Human Resources Development is required to collect very personal information from its clients in order to determine if they are eligible for benefits. The responsibility for safeguarding this information has never been taken lightly. Indeed, keeping such information privileged has been so important to the department that many of its legislative provisions have been even more stringent than the Privacy Act.

These tight restrictions on the use of CPP, OAS and UI client information, while guaranteeing Canadians privacy, have prevented justice from being done in one very important situation. I am speaking about investigations into war crimes and crimes against humanity.

The existing provisions of the OAS and CPP legislation allow confidential client information to be released only after a criminal charge has been laid. With respect to UI that legislation prohibits the release of some kinds of client information while in other instances the legislation is vague about such release.

Often the identity of the individuals who have been identified as suspected war criminals cannot be confirmed. This has meant that the RCMP has not been able to conclusively establish the existence and location in Canada of many of the individuals in question and therefore cannot lay charges.

The amendments contained in this bill would allow OAS, CPP and UI data to be used by specific and very restricted individuals within the RCMP for the investigation, prosecution and extradition activities undertaken in Canada in relation to war crimes and crimes against humanity. This information would be used in Canada only. In no instance would confidential client information be made available to foreign governments or agencies and in no instance would the RCMP have access to client information for other than this purpose.

The last thing the government wants to do is erode individuals' rights to privacy, but this right has been used as a cover by those wanting to evade prosecution for unspeakable crimes. The Government of Canada and indeed Canadians no longer want our right to privacy to be used as a shield by those who do not want to be held accountable for crimes they committed against humanity. This amendment would help ensure that it is not.

Finally, there is one more amendment that I want to clarify for hon. members. This is an amendment to the Old Age Security Act and Canada pension plan that is consequential to an amendment being proposed by the Solicitor General. This would allow the Department of Human Resources Development to provide information on the OAS and CPP benefits being paid to pensioners who are incarcerated in federal penal institutions. The intention is that these individuals would be charged room and board based on their income. This information would allow the Solicitor General to receive accurate information from the Department of Human Resources Development on the amount of these moneys so that a fair charge could be made.

Is it right that prisoners receive free room and board at the same time that they may be accumulating income from federal benefits that may also be paid from the public purse? I do not think so and neither do Canadians. Pensioners who are not criminals have to pay for their own accommodation and other needs. It is only fair and indeed responsible that those of penal institutions do the same, especially when they are receiving federal benefits at the same time.

In conclusion, I hope these explanations have helped to clarify the rationale for a few of the amendments contained in Bill C–54 and I give hon. members the information they need to be able to explain them to their constituents. It is my distinct honour to support this bill.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm, B.Q.):** Madam Speaker, I welcome this opportunity today to speak to Bill C–54, an Act to amend the Old Age Security Act, the Canada Pension Plan, the Chidren's Special Allowances Act and the Unemployment Insurance Act, introduced by the Minister of Human Resources Development. This legislation contains amendments to several acts that are extremely important to the economy of Quebec, and to Canada's as well.

Furthermore, it gives us an opportunity, as members of the Bloc Quebecois, to explain our position on social security reform. On several occasions we have made it clear where we stand on these programs, and Bill C–54 is another opportunity for us to show that we support social programs and that we are prepared to defend the interests of those who are affected by this bill.

• (1630)

I think it is important to realize, as I said earlier at the beginning of my speech, that this bill concerns people who receive old age security benefits. This means they are 65 years of age and over. People in this age group may be less aware of their rights and obligations under this legislation, and they may also be more vulnerable than young couples or people in their thirties or forties who can find their way through the legislative maze. That is something we should not forget.

However, in this bill, I am particularly worried about the fact that certain government agencies will have access to information on beneficiaries. The government already had legislation that authorized communication of this information to certain agencies, but Bill C–54 has expanded this authority to include agencies such as Canada Post, the Correctional Service of Canada, the Commissioner of the RCMP, the Minister of Justice and the Attorney General, Members of Parliament and persons designated by the minister as health care professionals.

This authority is very broad. It means giving a large group of people access to a very extensive data bank. That is why, at this stage, we moved an amendment to ensure that no one will abuse this information, bearing in mind that these people are among the most vulnerable in our society and that there is always the possibility that someone could, not necessarily use the information to blackmail them, but use it improperly.

The amendment we are suggesting is very simple. It says that we refuse to support the bill on second reading because it does not provide for any sanctions under the Criminal Code for anyone who discloses personal information on beneficiaries to sources not authorized to have access to privileged information.

Where I come from, we always say: "Too strong, will not bend". I think a chapter could be included to really ensure that whoever has access to such information will pay careful attention to how it will be used.

This is what our reasoned amendment is about. I will tell you, in my speech, about another reasoned amendment we could have tabled but did not. This amendment also deals with an important matter.

I must say right away that I am not against the bill as a whole. On the contrary, I think it contains some valuables clauses and principles that will make certain things easier. But we must always be very careful with this kind of legislation.

Let us look at certain changes together. Some of these set limits regarding access to information, as I said earlier. They introduce time frames concerning the return of benefits to save money. I have no problem with that.

Others deal with technicalities concerning benefit repayment. They change the appeals system and enable the minister to acquire assets. I have a little problem with that, but I will address it later on.

All in all, the Minister of Human Resources Development saw fit—and we are behind him on this— to make the benefit scheme and plans for the elderly easier and more flexible. Contrary to what the minister claims, as have several other ministers during question period, we do not systematically object to any government proposal. If he listened more carefully, he would realize that we do support some of this government's initiatives, as I said earlier.

At any rate, before dealing with the bill per se, I think it is important, in fact essential, to take a look at the situation of the elderly, because it is not quite as rosy as the government seems to believe it is.

• (1635)

I think I should remind the minister of certain figures. For example, in 1992, the average income of elderly families was $39,439, as compared to approximately $56,000 for other families. Also, and more importantly, the average income of the single elderly was $18,434, as compared to $25,000 for other single individuals. Moreover, some 21 per cent of seniors, or 625,000 seniors, are considered as low–income earners. While this number remains mind–boggling, it must be pointed out that it has gone down over the past decade. The number of low–income seniors has decreased while it has increased in the general population.

However, the proportion of low–income people among seniors is consistently higher than in the general population. So we can see that the situation of seniors deserves special attention and compassion going beyond the Canadian finance minister's obsession with the deficit, but this can improve with time. People in exceptional situations need exceptional, but not drastic, solutions.

Over the years, the federal government has come up with several ways to help seniors. There are the two main programs, Old Age Security and the Canada Pension Plan, as well as some tax measures such as the guaranteed income supplement, spouse's allowance, survivor benefits and disability benefits. All these measures are designed to ensure the well–being of seniors.

It must also be noted that since the Liberals took office, Quebec's welfare rolls have swelled up by 30,000, and that the Minister of Human Resources Development's social program reform will make the situation worse. Employment development requires much more than an infrastructure program. The thousands of jobs the Liberals boast of creating are almost all temporary.

Before we scrutinize Bill C–54, it is important to look at the tendency shown by the government in its first budget, however slim it is. We must remember that the past tells us about the future. The measures in the last budget call into question all the social programs Canada and Quebec have put in place in the last 30 years.

The last budget sets the tone for the government's direction. This little test by the Minister of Finance involves cuts to unemployment insurance and, of special concern for seniors, to the age credit.

The Minister of Finance made the decision to reduce the age credit, so that all taxpayers aged 54 and older can claim a tax credit amounting to 17 per cent of $3,482 at the federal level and 20 per cent of $2,200 in Quebec. This credit is non–refundable, that is, it can be deducted from taxes payable but the excess portion cannot be refunded. Any unused portion can, however, be transferred to one's spouse.

The combined federal and provincial tax reduction averages about $950, while in Quebec the reduction is around $1,050. The change brought about by the last budget aims to reduce this credit for seniors whose net income is over $25,921. The applicable threshold for other credits is based on one's income. The amount of that threshold will be indexed according to the fraction of the annual consumer price index increase which exceeds 3 per cent. As I said earlier, the credit will be reduced by an amount equal to 15 per cent of the part of an individual's net income which exceeds $25,921. That credit will completely disappear when a person's income reaches $49,100.

These measures raise questions. Does the government consider that a senior with an income of $25,000 is a rich taxpayer? That measure does not target the rich; once again it affects the middle class and, this time, more specifically the older people who belong to that group.

The feeble attempts to reduce spending are made at the expense of the poor, the unemployed, the welfare recipients and the middle class. We cannot say it often enough. The more we repeat it, the greater the chances the minister will finally understand.

• (1640)

The government has difficulty understanding what fairness implies. In fact, this government seems to adhere more to the notion of unfairness. After all, where is the fairness in this double standard whereby, for the 1993 taxation year, old age security pensioners whose net incomes exceed $53,215, see their pension clawed back at a rate of 15 per cent, which gradually increases to the point where the whole pension is clawed back for pensioners whose income reaches $83,215?

Moreover, in his social policy reform, the Minister of Human Resources Development excluded programs for seniors. However, the fate of our seniors is sealed in the budget of his colleague, the Minister of Finance.

On page 41 of the Budget Plan, the minister says that: "the government will[—] release in the coming months a paper which will examine the challenges and the opportunities posed by Canada's aging society. The paper will examine what the aging society will need in terms of services and what, if any, changes are required to the public pension system to make it financially sustainable". This leaves the door open to a lot of things.

He goes on saying: "The paper will also examine what, if any, changes should be made to the tax treatment of contributions to, and income buildup in, registered pension, profitsharing, and retirement savings plans".

If the Minister of Finance is going to take care of senior citizens instead of the Minister of Human Resources Development, we can conclude that the Liberals are seeing senior citizens as economic factors, just like interest rates, rather than a productive human resource. And that should worry us.

Now, as to the bill and its main cost cutting measures, I must say that it is comforting to see that the government is trying to put some oil in the gears of a very heavy bureaucratic machine. These are the positive aspects of the bill, the ones we can agree with.

It is nice to know that those applying late for their pension will be able to get up to a year's worth of payments. That is a good thing although, in the case of OAS, this is a reduction from five years to one. As well, clients can be forgiven OAS benefit overpayments that are the result of an administrative error or erroneous advice from department officials. This too, I think, is fairer.

In addition, the timeframe restriction for the recovery of guaranteed income supplement overpayments will be removed. I find this a bit dangerous. If the errors were made by civil servants and the situation is allowed to drag on for several months, several years, this is dangerous for the person at the point where the government notices the error and claims its due, the overpayment. No limitation is mentioned, however, and this needs to be looked into. If I were an older Canadian, this would worry me. I would want to ask the department how this would be dealt with.

In addition, we are told that the government hopes to recover 1 to 2 million dollars with this measure. The Minister of Human Resources Development will also be able to postpone payment of benefits pending a review or an appeal. This sets off warning bells. It is an opportunity ripe for patronage. What will go on? The minister reserves the right to postpone certain payments, certain decisions. I do not like things that are not clear and this point is not clear.

Claimants could thus be deprived of benefits that they need to live, and that are often their only source of income during this entire period.

There are a series of clauses of a somewhat technical and administrative nature that I will not dwell on, given that we are in agreement. I think that if there are any points on which we do not agree and that should be raised immediately, I will do so.

First of all, the government is saying that it has reduced the period of retroactivity from five years to one in order to increase consistency between the Old Age Security and Canada Pension Plan programs.

• (1645)

It must be noted that every time such concern arises, the result is a downward adjustment. It boils down to the government making even tighter the qualifying conditions for programs for the elderly. Therefore, the government will have to explain how the existing provisions on old age security benefit overpayment do not provide it with adequate protection.

As it stands, the act provides that the government may go back up to two years. Eliminating this time limit would enable the government to recover anything between one and two million dollars, as I said earlier. Considering that beneficiaries are afforded protection against potential mistakes by civil servants, these two provisions seem to be in contradiction. This clause would really need to be clarified so as to not generate a conflict between citizens 65 and older and the government.

I must reiterate in this House that people over 65 years of age tend to be less inclined to put up a fight. They may be less affluent and more vulnerable in this respect. Perhaps the govern-

ment will take advantage of this situation to claim repayment of benefits whenever it feels like it.

Moreover, in case of appeal, the minister could defer payment. But the minister himself admits that a major portion of beneficiaries have no income besides old age security benefits. That being so, many beneficiaries could finds themselves in an extremely difficult situation when this provision is put into application.

At the end of the day, while they will not have a substantial impact of recipients in general, these provisions nonetheless reflect the direction this government has taken since coming to power, that is to say, to cut in social programs.

I also have reservations about a few other provisions and one, in particular, whereby clients required to repay to Revenue Canada amounts claimed from old age security using the revenue–tested reduction rate will be able avoid repaying by asking that benefit payments stop. This should be clarified in the bill, to facilitate the interpretation of the act.

I mentioned earlier that we had moved only one reasoned amendment, while we might have moved two. At least, we considered the possibility. I think it would have provided the government with a great opportunity to include some kind of safeguard in this bill. With everything that is now going on in the House, with everything that we want to cut—and when I say "we", I mean the government—with everything that the government wants to cut, in wide swarths, billions and always in the same direction, of course. But there were times when they frightened elderly people in Quebec, on several occasions; the federal government frightened seniors—In the 1980 referendum, they said, "If you vote for sovereignty," even though that was not the question, "the PQ and the sovereignists will cut your old age pensions".

That was the time for the federal government to put a provision in the law, in this law, in Bill C–54, to guarantee this income for people in need, to put a clause in the law saying: "We guarantee that you people 65 and over who need your pension will have it, whatever cuts are made in social programs; we will not cut your family income and we guarantee these old age benefits for you". But no, there is nothing like that in the bill.

If I were a senior, I would be worried about that. I would call the department to find out what is going on. "Why do you not guarantee this sum of money? We need it. In many cases, it is our only source of income".

No, there is nothing.

That being said, I think that I have presented enough material to show that on the whole, Bill C–54 has some good features, but it should be amended to make it more humane, fairer and more equitable for everyone.

[*English*]

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, I listened attentively to the member's speech. It is obvious that he has looked carefully at the legislation and is speaking well on behalf of his constituents.

• (1650)

I did want to raise a couple of points, however. I would like to hear the member's comments because I get the sense that there was an indictment that the government was somehow going after seniors. This is an unwholesome way to put the issue.

As we all know, the finance minister's last budget included a clawback in the old age exemption for seniors. That meant that once seniors had an income over the $25,000 level it started to be reduced until they reached just over $49,000.

To help explain the situation or understand the equity of the situation the member could have indicated that the clawback mechanism that is applied to the old age exemption is exactly the same clawback mechanism that is applied to the child tax benefit. That is the tax benefit that replaced the family allowance system we had for many years. That means people with children who made over $25,000 all of a sudden started losing that child tax benefit as well. That happened in the prior year.

What is worse for families with children is that last year they also lost the exemption for their children on the income tax return. As a father of three, I know how much that cost me as well.

One thing we have to ask ourselves is that if there is a cut in the old age exemption, is that simply an issue to do with seniors? I think not. When there are changes to the benefits levels that Canada can extend to its citizens, it is not just the people who enjoy them today, it is also the people who were hoping to enjoy them tomorrow. That means that I will never get an old age exemption. I have already lost a child tax benefit that most people ahead of me had taken advantage of.

All of a sudden we have to consider that any changes in the tax structure or in the deductions of the tax credits do not simply affect those who are presently benefiting from those benefits but also those who are to come later.

Last night the finance committee had a round table for some six hours with economists from right across the country. If members want to hear some draconian measures they should listen to some of these economists who, the member might be interested to know, were saying across the board cuts of 5 per cent or 7 per cent on everything, all programs.

Those kinds of things I do not think we will see this government embrace. There are certainly major changes that have to be made but they have to be done in a way to make absolutely sure—I know the member agrees and I know the government is

of this view—that those in most need are always taken care of in Canada, the best country in the world.

I would be interested in the member's comments.

[*Translation*]

**Mr. Bellehumeur:** Madam Speaker, I am happy to answer that question. I, too, will ask the hon. member a question by repeating what he has just told me. With what he heard in committee, I wonder who leads in this government. Is it the economists, the IMF, the actuaries? Who leads in this government and where are they going?

Bill C–54 gives me some idea of where they are heading. As I said earlier, they are cutting some very wide swarths and starting to squeeze old age pensions. This is what they are doing today, but what will they do tomorrow? That is why I feel we must be wary of this bill. It must really be examined from all angles to see what is happening in this department.

I am being told: "The hon. member seems to think that this bill attacks seniors or others". I not only think so, I am sure of it. Reducing from five to one year the deadline for claiming benefits seniors were previously entitled to is an attack on seniors. Second, waiving overpayment requirements is another attack on seniors. The government could turn around five years later and ask you to repay the $300 and change, plus interest, you received every month for five years. I think that seniors have a right to be concerned about this bill.

• (1655)

Seniors are also justifiably worried, in my opinion, about the fact that several departments would have easy access to information. The most serious oversight is that, as I said earlier, the bill does not guarantee that people aged 65 and older will get their old age pensions.

The burden of proof is being reversed. Talking about sovereignists and about Quebec, they tell us: "If you become a sovereign country, you will lose your old age pension". But I am telling you that if we stay in Canada—if we decide to stay in Canada, but I hope not—seniors may not collect old age pensions either and I think it is something they will keep in mind when it is time to vote and to really think about this issue.

I think I have given the hon. member enough explanations to show that Bill C–54 is indeed the beginning of an attack on the needy, on those aged 65 and older. That is why we, in the Bloc Quebecois, are concerned, why we proposed a minor reasoned amendment to at least ensure that the information will be put to good use. This is one shortcoming of Bill C–54.

**The Acting Speaker (Mrs. Maheu):** 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 Kootenay West—Revelstoke: Pearson International Airport.

**Mr. Martin Cauchon (Outremont, Lib.):** Madam Speaker, the issue being debated today is of great interest to this government, since it concerns our seniors.

Bill C–54 essentially aims to improve services to those who benefit from various old age security programs. These include basic benefits, spouse's allowances and, of course, the guaranteed income supplement. It must be noted that this bill does not change the content of those programs.

It does not change in any way the amount of the benefits received by seniors. The purpose of this legislation is essentially to make life easier for the recipients by reducing duplication and the paper burden, something we talked about during the last election campaign. I was very pleased to hear the Official Opposition critic recognize the improvements contained in this bill.

Like us, the hon. member realizes the importance of streamlining as much as possible the procedures and the paper work for seniors to be eligible for benefits. The amendments tabled today will allow some 1.4 million seniors to receive their pensions with a minimum of red tape.

This is a very concrete example which confirms the government's will to streamline the federal administration and make it more accessible for its clientele. The reorganization of income security programs is in response to a growing demand for government services during this period of budget constraints. It is expected that, by the turn of the century, the number of Canadians benefitting from the Canada Pension Plan, the Old Age Security Pension as well as other income security programs will have increased by 40 per cent. During the next three years, social security reform will offer new technologies and services. The main purpose is to provide an efficient response to the needs of Canada's aging population and the government's growing number of clients.

• (1700)

This new approach will make it easier for clients to deal with the bureaucracy. In our client–service centres, employees will be able to make decisions immediately, thanks to all the information that will be available to them. This will obviously cut down on the time needed to process applications, and we will be able to tell clients the date of their first payment.

Furthermore, seniors will be able to communicate information changes, including a change of address, by telephone, using the touch– tone key pad. In the case of clients who prefer more personalized service or do not have a touch tone telephone, employees will be available to answer their questions without delay.

Annually, nearly 1.4 million seniors, the majority of whom are women, have to reapply in order to continue to receive their guaranteed income supplement and spouse's allowance. The

department cannot authorize payments for the new fiscal year until an application for renewal has been filed and approved.

Every year in April, as many as 100,000 pensioners do not receive their benefits on time for various reasons, either because they applied late or because information on their applications had to be checked. Since only seniors on low or modest incomes are eligible for these benefits, any delay in benefit payments may cause problems for the recipients.

In the case of many seniors, income amounts hardly change from year to year. A substantial proportion of recipients of GIS and SPA have no source of income other than their pension. It would be possible to simplify the renewal process for a large number of pensioners. However, no exceptions can be made under the current provisions of the Old Age Security Act. All recipients must file a new application every year. From now on, however, in the case of certain recipients, the minister will be able to waive the obligation to file annual renewals of applications for GIS and SPA.

The minister could, for instance, waive the requirement for a full year. He could also extend payment of a benefit based on estimated income until updated information is available from Revenue Canada. In this way, there will be no need to interrupt payments of GIS and SPA to seniors. Individuals applying for the first time would, of course, have to file an application in any case.

The changes will be implemented gradually in order to prevent any disruption for pensioners and to ensure smooth management.

The present legislation allows the release of confidential information to some departments, provided that certain rules are adhered to. There is no doubt that the management of senior citizens' programs is getting more and more complex. Therefore, good management requires that relevant information be shared and circulated among departments, but according to a given set of rules. For example, if there were better access to information, Canada Post could make available to us its knowledge of new techniques which would accelerate the processing of cheques to clients. However, the present provisions on the sharing of information prevent us from buying services from Canada Post.

• (1705)

According to the new provisions, personal information will only be made available according to very strict procedures. Clearly, as a government, we will continue to protect all confidential information on our clients. To that end, the legislation contains very strict guidelines on the release of information to third parties.

We even have special provisions where criminal charges are involved. Information will only be made available under certain conditions, in this particular case if criminal charges have been laid against the person or if the government is under order from a court to produce documents.

Anyone making available personal information under circumstances not covered by the legislation will be guilty of an offence. This shows that the government is taking the protection of personal information very seriously. Moreover, the legislation provides for penalties for every violation of the rules.

As you can see, the government has been particularly attentive to the protection of personal information on our clients, which is only natural.

I sincerely believe that our opposition colleagues should trust the government in this matter. We live in a free and democratic society based on a fundamental principle which I respect, namely the rule of law.

It goes without saying that when lawmakers produce a bill, they should leave no room for discretionary powers which too often lead to arbitrary decisions. It is therefore very important to understand that even though this bill allows for some disclosure of information, it seeks first and foremost to protect senior citizens. When I say to protect senior citizens, I mean two things. First, to protect them against arbitrary decisions and, second, to protect them so that they have easier access to government services.

Indeed, this bill is aimed at making life easier for all senior pensioners. I repeat that neither the level of benefits nor the eligibility criteria have changed. The benefits these people are receiving now have not been touched. All we are doing is proceeding with an administrative reorganization in line with what I call the new evolutive federalism, a cost–effective federalism which tries to forge ahead and eliminate overlapping, in co–operation with the various stakeholders, namely the provinces, because we keep in mind that the overriding preoccupation of every government should be, first and foremost, the taxpayers' best interest.

I must tell you that in the particular context of this bill, the best interest of senior citizens, whom the party I belong to has always protected and will continue to do so, is taken into account. This bill illustrates the commitment of our party to this important segment of our society whom I call our builders. We are showing them that we care.

We believe that this bill is a fundamental piece of legislation and that it will provide senior citizens with the best protection possible.

• (1710)

As a matter of fact, we believe it is the only way to prove our gratitude for their great contribution to the well–being of the Canadian population as a whole.

I will conclude by saying again that, in the past, some governments have tried to reduce the deficits at the expense of that group in our society. Now, according to the basic principles established by the Liberal Party that I represent, I can tell you

that we will never touch the pensions of our seniors, we will never modify those pensions nor will we ever act in any way to reduce their incomes.

If there is a reform, I suppose it will affect more directly coming generations, people of my generation. Senior citizens who now receive benefits from the government, be it pensions or others, have earned them with their work. They have worked to build this country and it would be immoral to start cutting into what we owe them.

When I see members of Opposition acting as scarecrows and trying to scare those people by telling them that the government is trying to reduce the deficit at their expense, I think this is pure and effective demagogy. I repeat: We will not touch pensions. What we do, we do in the interest of taxpayers. We protect them and offer them better access by allowing information to circulate more freely.

On the other hand, of course, as in any bill allowing the release of information, we have established parameters that have been examined very closely. Certain parameters will allow the release of information if this serves the interest of taxpayers and other parameters will forbid such release. Those parameters will be rigorously enforced in cases where there is no need to release information.

[*English*]

**Mr. Tony Valeri (Lincoln, Lib.):** Madam Speaker, I would like to congratulate the hon. member on his excellent presentation this afternoon. Can he comment on the type of work the constituency offices actually do, how the amendments that will be brought forward in Bill C–54 will actually help us as members of Parliament to provide a more effective and efficient service, especially to our retirement constituents? In April we received many calls because of changes the retirement population has to comply with when filling out these applications.

If the hon. member could expand on his experience with his constituency office, the kind of work he does during that time and how these amendments would lend themselves to providing a more effective delivery system to our retirement population.

[*Translation*]

**Mr. Cauchon:** Madam Speaker, I thank my hon. colleague for his question. Of course, providing information is a fundamental activity. As the hon. member said, it has an impact at the level of our constituency offices. It goes without saying that, when we meet seniors in our electoral ridings, their questions are often varied and deal with various government departments. Seniors may come to us with health problems or problems in their dealings with Canada Post, Veterans Affairs or the Department of Justice.

It is obvious that, with a piece of legislation making communications between departments more flexible, where authorized to do so by the taxpayers, it will be much easier for us to obtain information from departments for one thing. The work of these departments will also be made more efficient by the fact that they will not have to access the data bank and request permission to have access to the information. Since it will be so provided in the legislation, departments that meet the prescribed requirements will have access to the information.

In concrete terms, this means that the taxpayers are bound to come out on top. As I like to point out now and then, our duty is indeed to serve the public, and personally, I will be able to serve the taxpayers much more effectively, efficiently and quickly.

In fact, by raising this question, my colleague puts his finger on the core issue of the access to information reform, he touches on the whole philosophy underlying this bill, a philosophy mainly centred on maximizing the efficiency of the federal administration.

• (1715)

[*English*]

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Madam Speaker, I found the member's speech very interesting, especially one phrase. The phrase was trust the government. I would like to be able to do that. To many degrees we must trust the government and in many instances we can trust the government.

I was particularly impressed with an earlier member opposite who seemed to be more in line with what the Reform Party was thinking about, taking a position that was consistent with the constituents rather than with the party position at that time. For a while I was wondering whether he was going to walk across the floor or whether he was going to stay where he was. I appreciated that.

I really want to come back to this member's statement when he asked us to trust the government and understand that the purpose of the bill was to protect services to make sure that the pensioners get their pensions and things of that sort. I certainly commend him for doing that.

I am very concerned about the future of the pensions that will be available for our seniors. Of course we do not want to cut their benefits. How does the member opposite intend to make an efficient system distribute money that is not there? How is he going to guarantee that there will be adequate money for the pensions to be paid out? We could have the most efficient system in the world. We could build the best car around, but if there is no gas for it the car will not go any where.

Therefore I ask the member opposite where is the money coming from that he says will be available? He says that they will not touch the seniors' pensions that are there, particularly not those who are getting the benefits now. Does he not realize the benefits that are currently being received by pensioners are coming out of the contributions that are currently being provided? How will he guarantee that will be the case later when

there will be more people taking benefits than those who are contributing to the plan?

There is no actuarially significant foundation for the Canada pension plan as it is at the present time. Could the hon. member explain in a little more detail how he intends to make sure that we can trust with confidence the government?

[*Translation*]

**Mr. Cauchon:** Madam Speaker, I thank the hon. member for his question. When we talk about trusting the government, you need only take a glance at the opinion polls in Canada to see that the Liberal government enjoys the support—

**Some hon. members:** Oh, oh.

**Mr. Cauchon:** I see that it hurts when people tell the truth, but the Liberal government has most people's support.

Now for the question of where we will get the money to continue paying pensions, I said that the Liberal Party is committed to protecting seniors and old age pensions and that is what we will continue to do. If there is ever a reform, it will be for later generations and not for those who today are collecting the benefits to which they contributed.

We as the Liberal Party and the government are acting responsibly. We are making a social choice based on respect for those who built this federation.

• (1720)

Basically, I find it quite odious that such a question can be raised today. Clearly, the answer depends on a social choice, a logical social choice. Of course, if the Reform Party were in power, a party which is obviously suffering from the ostrich syndrome and all they do is try to make cuts everywhere, society would have no services. This government promised something in the election campaign and that is what we are doing: to be a responsible government which will attack the deficit while continuing to meet our obligations and maintain services for everyone. I want to tell you that seniors are a priority for us and we will respect them.

[*English*]

**Ms. Margaret Bridgman (Surrey North, Ref.):** Madam Speaker, I rise today to address Bill C–54, an act to amend the Old Age Security Act, the Canada pension plan, Children's Special Allowance Act, and the Unemployment Insurance Act. While the acts which the bill amends represent a significant portion of the federal component of Canada's income support system, the amendments are classified as minor administrative changes. Bill C–54 seeks to improve administrative efficiency.

The Reform Party is supportive of efforts by the government to streamline the delivery of services to the public. Any streamlining is more than welcome. What Reform members would ultimately like to see is an immediate overhaul of the programs to ensure long term financial sustainability for Canada's entire social security system.

The massive debt that has accumulated and the interest payments needed to service that debt taken out of every year's budget have been increasing yearly. The portion of the federal budget pie that goes toward social programs has been shrinking as a direct consequence of the federal debt and the accompanying interest payments. That is why the Reform Party constantly states that the debt is the nation's number one problem and is the greatest threat to our social programs.

Our position has been misinterpreted, misconstrued and misrepresented. We have been portrayed by government and those on the left as ogres with axes in our hands, ready and willing to swing those axes any time we get near social spending. This characterization is grossly unfair.

What Reformers have realized and realized over a year ago is that if we continue on the road of excess debt and borrowing our social programs will by necessity have less and less of the federal pie every year. The longer we ignore the debt problem, the worse the situation becomes for our social program.

The Minister of Finance, in his two–day presentation to the finance committee, presented a good analysis of the way in which the debt affects our economy, our standard of living, our social programs, and it was all for the worst. The minister outlined how the debt begins a vicious circle. I would like to quote from page 3 of the presentation the minister made on Tuesday, "Creating a Healthy Fiscal Climate":

> Interest on the debt is doing more than shackling our finances. It is putting a damper on growth and jobs. Lenders looking at our debt demand a premium. That means higher interest rates. Higher interest rates dampen consumer spending and business investment, hurting potential growth and jobs. That in turn reduces the revenue government receives and increases our spending on social programs, increasing the pressure on our deficit. Those higher interest rates in and of themselves also add to our debt charge as we borrow to pay for the higher interest. Those higher levels of debt then put more pressure on interest rates to rise. And the vicious circle goes on and on and on.

I commend the minister for attempting to lay aside partisan politics in his analysis of the effects of the debt. He can expect constructive support and guidance from the Reform Party for viable efforts to control the deficit. He can also expect calls from this party that his own target of 3 per cent of the GDP, a deficit of approximately $25 billion in two years, is simply unacceptable. It is also unacceptable by his own analysis of the negative effects on the debt. For the sake of long term financial sustainability of our social programs the government should set a goal of zero deficit by the end of this Parliament.

• (1725)

The Liberals ran and by many accounts won the election on the issue of job creation. Their main proposal was the $6 billion infrastructure program intended to simulate job growth in the entire economy. The Liberals saw the program as the key to restoring hope and dignity to those on government assistance.

Reformers on the other hand have consistently put forward the view that the best stimulant for job creation and decreased government dependence is a serious attack on the deficit and the debt. By reducing our deficit we will be setting in motion positive effects that will create jobs which will in turn provide less demand on some of our social programs.

I want to quote the Minister of Finance once more on this subject:

> Facing up to the debt challenge is the keystone of a responsible economic policy. If we fail at that, we will fail at everything else. It is not a question of focusing on jobs or the debt. It is question of focusing on both. The debt stands in the way of the growth we seek; in a very real way, it limits our economy's ability to create jobs. The fact is that we will not get the quality of growth we need to generate jobs we want until we gain control of the debt, until we have broken the back of the deficit.

I must applaud the government on the progress it has made in its thinking on this subject. In the first few months of Parliament the Reform Party's views on the debt and cutting of spending were characterized as letting people starve. Now our views are being repeated and strongly emphasized in the process by the Minister of Finance.

My point in talking about the debt is trying to explain its effect on social spending, the so–called vicious circle I referred to earlier. For just as there is a vicious circle for high debt and excess borrowing, there is also a good or a positive circle if we reduce the debt.

The lower the deficit and the debt, the lower the interest rates. Lower interest rates mean more consumer spending, business investments and increasing growth in jobs. That in turn increases employment and decreases reliance on social assistance giving people the opportunity and the dignity to work. The decreasing reliance on social assistance means less pressure on social programs and less pressure on government revenues.

Cutting the deficit is not an end in itself. It is a means to an end. That end is stronger growth, increased employment, decreased dependence on government and perhaps, dare I say it, lower taxes. However reaching these goals requires cutting spending and any real cuts in spending will include cuts in our social programs.

We in the House should be honest and recognize that the present social security reform discussion the minister of human resources has started is not only about reform but is also about saving money. Unfortunately after a year in the House it is only a discussion paper. It would be more preferable to be an action plan.

The most basic, most effective way the government could save money in this area without hurting the most unfortunate in our society is to target our social programs toward those in the most need. Applying the concept of universality to every social program we have simply undermines the long term financial sustainability of our social programs.

Another basic principle that should be applied to social programs is that they should be meant to be temporary measures to help those who are down, not permanent measures to create an unhealthy dependence on government.

In conclusion, the best course of action the government could take to ensure the survival of our social safety net is to upgrade its deficit reduction targets and to design social programs to target those most in need.

**The Acting Speaker (Mrs. Maheu):** It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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# PRIVATE MEMBERS' BUSINESS

[*English*]

## TOBACCO TAXES

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.)** moved:

> That this House urge the government to introduce legislation to restore the tax on tobacco to the level existing at January 1, 1994, and to apply the revenue from the tax on tobacco to health care.

He said: Madam Speaker, I rise today with varying emotions. On one hand it saddens me to have to present this motion, but on the other hand, it infuriates me.

The motion I am bringing to the House today, a motion to restore tobacco taxes back to the level they were in January 1994 and apply this revenue to health care is something we should not need to be discussing here at all. Unfortunately, I have been pushed to do this, given the tax rollback that occurred on February 8, 1994.

The reason for my sadness is that this reduction enacted by the government poses the single greatest threat to the health care of Canadians in the last 50 years. No legislation will have a more

detrimental effect on the health of Canadians than anything that has gone on in recent history. This is particularly germane to the youth of the country.

This rollback will cause hundreds of thousands of people to take up smoking, half of whom will die of cigarette related illnesses such as pancreatic cancer, lung cancer and suffer from illnesses such as chronic obstructive lung disease, a disease that tears away at the very fibres of somebody's lungs so that if they were to walk from where I am to where you are, Madam Speaker, they would be severely short of breath and exhausted.

We are not even talking about the pain and suffering that is endured by the hidden victims of this, the families of the patients.

Already in the six months after the rollback the sales of cigarettes are up 41 per cent. The number of people smoking has also increased, especially among youth, going from 23 per cent to 27 per cent now. This trend is completely opposite to what was going on since 1982 when the tobacco taxes were raised and the cost increased.

I am chagrined that the standing committee of management has decided not to make this motion votable. This issue was highly contentious back in February. The vast majority of the public opposed it, virtually every health care professional vehemently opposed it, and yet the government brought it forward.

If this motion had been made votable it would have enabled members to truly represent the wishes of their constituents and vote for this motion which would have such a significant impact on the health and welfare of Canadians.

Before we look at the reasons for my motion and the constructive solutions that I pose, it is wise for us to look at the situation that existed in February 1994. Up until that time Canada was a leader in the fight against tobacco consumption. Interestingly enough, in 1979 virtually half of all 15 to 19 year olds smoked. However, because of the increase in taxes on cigarettes and the cost, by 1991 this percentage had fallen to 16 per cent, something of which Canada was justifiably very proud.

This rate of reduction was unparalleled in the world. The cause of this was cost.

It is estimated that had the proportion of tobacco users in Canada remained at 1979 levels, there would currently be three million more smokers in this country today. All statistics show this powerful relationship between price and consumption.

As a result of these tax increases, a price differential existed between Canada and the United States in the order of $48 a carton in Canada to $25 a carton in the United States. This was a double–edged sword and the smuggling of contraband cigarettes became rampant. Cigarettes were exported legally into the United States but were illegally brought back into Canada, primarily through the reserves in Quebec. Some contraband was brought in through other conduits, private cars and through the mail routes, but they were minimal compared to what was occurring on the three reserves in Quebec.

• (1735)

When analysing the smuggling, it is wise to divide up the situation between Quebec and the rest of the country. The smuggling that was occurring in Quebec had a profound effect on the lives of the people living there. Quebec represents 30 per cent of cigarette consumption, 70 per cent in the rest of the country. In Quebec one–third of the cigarettes that were purchased were purchased legally and two–thirds were purchased illegally, a complete reversal to what was occurring in the rest of the country.

Also at this time a tragedy was occurring. The smuggling was occurring right before the noses of our judiciary and our police forces. They were directed to look the other way. Why? To avoid confrontation, to avoid an Oka situation that nobody wanted. It is completely unfair to have a legal situation that looks at the law and enforces the law in one area and in another area does not.

The smuggling not only occurs in contraband cigarettes but also involves drugs, liquor and illegal weapons, all of which are occurring right now. Getting rid of the smuggling of tobacco does not get rid of the smuggling of other contraband.

Outside of Quebec and parts of southern Ontario the smuggling was minimal. This was the dilemma that we were in. How the government reacted was appalling and incurred the anguish of many Canadians and every health care professional in the country. The reaction had the primary effect of increasing legal consumption of cigarettes and decreasing illegal consumption of cigarettes, which was worthy, and eliminating the smuggling of contraband cigarettes which is to be applauded. However there is another way of doing this.

They also brought in to eliminate these channels the export tax of $8, a pledge to increase enforcement and education against smoking, all of which I applaud.

Now that we have analysed the situation, let us look at the impact that this tobacco rollback had on the financial cost and the human cost of Canadians.

Let us look at the financial cost first. The loss of revenue to the provincial governments is massive. Tax revenues on cigarettes are estimated to decrease from $5.5 billion to $2.3 billion per year, a loss of $3 billion outside of Quebec. In Quebec tax revenues will decrease from $774 million to $559 million per year, roughly a $210 million decrease. The total loss in revenue to the public purse is $3.2 billion. The loss to gross national product is very difficult to quantify but in my province of

British Columbia it is estimated that if the decreases go ahead that it will cost $150 million per year.

Let us look at the human cost, something impossible for us to quantify. For every 10 per cent decrease in cost the overall cost in consumption is between 4 and 9 per cent for the general public. In youth and teenagers the major factor in determining consumption is cost. It results in a 14 per cent increase in consumption for every 10 per cent decrease in cost.

Thus we can see that the tax rollback has had a devastating effect on the health of Canadians, particularly in that group which is most vulnerable, the youth.

As I said in my opening statement, this has already been borne out. By the most conservative of estimates a 50 per cent decrease in price will result in a national increase of 14 per cent in consumption but in teenagers this increase is 35 per cent which translates into 840,000 smokers, 175,000 of which are teenagers.

Let us look at a more realistic view. It is a more chilling view. A 50 per cent decrease in cost will result in a 45 per cent increase in consumption which is close to the 41 per cent I originally mentioned. This is going to add 1.8 million more smokers to the list, of which 250,000 are teenagers. This great effect of consumption will not be in the areas where smuggling was maximal but in areas where it will be minimal. Tragically for the people who live in Quebec and for those in southern Ontario, the effect has already been felt because they have been consuming cheap cigarettes for a while.

• (1740)

The World Health Organization recently estimated, after long study, that 50 per cent of all smokers will die as a result of tobacco consumption. It kills in at least 24 ways. Each smoker will get 20 years knocked off their life expectancy.

To put it in more graphic terms, it will result in many times more deaths than all the people who died in World War I and World War II combined.

The increase in health costs are staggering. Smokers currently cost the health care system approximately $9.5 billion a year. The increase in consumption will result in an increase in health care costs of between $1.3 and $3 billion every year. Our health care system does not need this at all, it is in desperate need of funding currently.

The combined increase in health care costs and loss of revenue is between $4 and $6 billion per year to the Canadian taxpayer. This does not include the costs we are going to suffer in our loss of gross national product.

The Minister of Health stated that she wants Canada to exchange and share her expertise with other countries in an effort to decrease smoking. Madam Speaker, I hope not. I hope we do not do this. What she wishes to share is an increase in human suffering, an increase in death, an increase in deficits. I hope no country in the world learns those lessons.

The minister also stated that she would do anything to save even one life from the results of tobacco consumption, and in particular the youth. If this is true, then I have some constructive solutions.

First, continue with the $8 export tax. It was a very worthy move. It has proven it works. We have an example. In February 1992 the then government instituted an export tax of $8 per carton, the same as was instituted by this government. In four weeks it decreased the smuggling of contraband cigarettes by 60 per cent. It is important to remember this figure.

Second, enforce the law. Do not allow the law to be applied differently in different areas. We have one law in this country. To apply it differently in different areas is a travesty of the law. We must all bear in mind that the smuggling conduits that exist involve other contraband, not only cigarettes. The only way to address the smuggling is to enforce the law. This is imperative.

Also, nobody speaks about the law–abiding citizens who live on the reserves. What about the effects the illegal activities through the smuggling of contraband has on their lives? Why should we apply the law any differently for them than we apply it to people outside the reserves?

These two efforts by themselves will have a dramatic impact on smuggling. As I said before, the export tax alone had a dramatic effect. There is no need to produce these tax rollbacks that are going to have such a devastating effect on the health of Canadians.

In order to decrease consumption, particularly among teenagers, it is imperative that we bring the cost of cigarettes back up to where it was. As I have said before, this is the number one factor in consumption. If we do what I said before, then we would be honestly imparting knowledge to other countries of which we can truly be proud.

The current rollback in taxes is a large blight on the country's health care system. The other aspect of my motion is to utilize the funds from the taxes to apply to a health care system, a system that is in critical shape and needs emergency care.

Our current health care system is caught between a rock and a hard place. On the one hand we have an increasing demand from an aging population and more expensive technologies, on the other hand we have a system of decreasing funding and squeezing an increasing deficit. If we manage to go ahead and apply this money to our health care system we would be able to give it

an injection of capital that the health care of the people of this country desperately need. Right now the provinces are forced to engage in the deplorable concept of rationing. They are rationing essential health care services—bypass surgery, hip operations, the closure of hospital beds. All these things are occurring and are compromising the health care of Canadians. This past week the head of the Heart Institute here in Ottawa said that the waiting time for bypass surgery is now five months.

• (1745)

If one needs a new hip in this country and are in severe pain, that category of people who are in severe pain, 40 per cent of those individuals will wait at least 13 months to get their hip operation after spending that time in severe pain, a travesty in a country that is as affluent as ours.

Another benefit of raising the taxes on cigarettes is that the moneys can be applied to a public anti–smoking campaign. I advise this government that the greatest impact that it will have on youth is between applying those moneys to an anti–smoking campaign for them between the ages of eight and seventeen, the age at which 90 per cent of the individuals who smoke take up this habit, a habit that is the second most addictive one that we know, more addictive than heroine.

To that end I would like to briefly give members a testimonial from a 13–year old girl who wrote a letter that was actually published in *Newsweek*:

> Right now I am 13 and I am going into ninth grade and started smoking in the sixth. The first cigarette that I ever had was in fifth grade.
>
> I have tried to quit, but it is very hard when all my friends smoke, too.
>
> Some people think that Joe Camel is directed towards teenagers.

She is referring to advertisements.

> I do not think so. If they are trying to get it directed towards teenagers, they are doing a pretty bad job. I am sorry, but a goofy looking camel who smokes his brains out does not quite turn me on. Actually, I have never seen an ad that made me want to smoke a particular brand. All those cigarette ads are practically the same.

She is 13. On health she says:

> Since I have started smoking I can hardly run around the block without getting out of breath. A lot of my friends have gotten asthma. My mom and dad quit smoking about 14 years ago, and my mom now has cancer and my dad has had three heart attacks. My grandma quit eight years ago, and she has emphysema. Not only that—my two grandfathers died from the results of smoking. After all these problems, you would think I would know better than to smoke. But I guess I do not.
>
> I cannot tell that I smell when I smoke, but my parents and other can. I remember one time, before I smoked, I left my jacket at my friend Brynn's House. Her whole family smoked. I got the jacket back around five months later, and I had to throw it away because it smelled like an ashtray.
>
> It is funny, but I think it is easier to give up drugs than cigarettes.
>
> I really hate the thought of quitting. But yet, I do not want to do anything that might make cigarettes more expensive to buy. You see, I am really hooked on cigarettes.

I would suggest that the government does not emphasize its advertisements on showing a group of yuppy Rosedale teenagers playing basketball and turning into cigarettes. Rather, we have to face the facts that teenagers believe they are immortal. There is another way of dealing with this. It will not work to tell them that they are going to die of lung cancer or mouth cancer 40 years from now because they believe they are immortal.

I feel it would be far more potent to threaten their sense of narcissism. Tell them that their breath smells foul. Tell them that their hair smells foul and tell them that their skin will become pallid.

In conclusion, I hope that this government which promised to bring back the taxes to where they were and has not made any efforts whatsoever to do this will take it in its heart to look at the facts.

Smuggling is under control. It can continue to be under control with the export tax and enforcement. It needs to apply those taxes to the health care and welfare of Canadians. One does not need to keep a tax rollback and compromise the health and welfare of the people of this country and sacrifice smuggling as a result. One can do both without sacrificing the health care of Canadians.

[*Translation*]

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Madam Speaker, considering the success of the government's anti–smuggling policy, I would never have expected to hear comments like those the hon. member made today. I admit—in fact, I am proud of it—that I was one of those who pushed for lower tobacco taxes.

• (1750)

As you know, I have the honour and the privilege of representing the riding of Glengarry—Prescott—Russell and the Akwesasne Native community. It is indeed an honour and a privilege as I have great respect for my constituents living on the reserve.

I am arguing today against raising the taxes on tobacco, and not because I want cheap cigarettes for myself or my family. Three years ago, I lost my father to a type of cancer believed to be caused by smoking. I do not smoke and smoking is prohibited in my offices. Smoking was prohibited in my offices before it was banned elsewhere on Parliament Hill. That is not the point.

Here in the House of Commons, I raised questions on numerous occasions about the cigarette smuggling problem. I remember that, in June 1993, I asked then Solicitor General Doug

Lewis—I think it was the last question raised in the House before it adjourned prior to the election—to do something about this problem which was almost out of control in our region. The problem was going from bad to worse.

This is the question that I raised, which I will repeat for you and for all my colleagues: "Almost every night machine gun fire is heard and speedboats are running the rivers at full speed in the dark with their lights turned off pursuing criminal activity. I am not describing life in Sarajevo or Mogadishu. I am describing the practice of tobacco smuggling on the St. Lawrence River near Glengarry in my riding. I want to ask a question to the Solicitor General on the last day of this Parliament. What precisely does the government intend to do to stop this illegal activity which endangers the lives and safety of my constituents?"

That was the last question raised, not the first one. For years I had been asking the government to take action to put a stop to this illegal activity. Nothing was done at the time. The government of the day let the situation deteriorate to the point where in Quebec and in eastern Ontario—the problem did not only exist in Quebec; in fact, most of the Akwesasne reserve is located in Ontario—70 to 75 per cent of cigarettes on the market were smuggled. The level of illegal activity was such that it endangered the lives of my constituents. In fact, some of them were killed. The member opposite talks about saving lives.

[*English*]

I would like to read a little story written by Claude McIntosh, the associate editor of the *Standard–Freeholder* of Cornwall, from Saturday, July 3, 1993. He was describing what he referred to as the dark side of cigarette smuggling. He recalls a few incidents. Here are a few I would like to share:

> A Cornwall welfare recipient switched to a supplier selling cartons $1 cheaper than his previous supplier. His old supplier fearful of losing other accounts paid him a visit. During the conversation he had his arm broken in an accident. He went back to the previous supplier. Welfare recipients are sought out because they are one, more willing to take the chance and two, available day and night.

Here is another incident. A teacher ordered a disruptive student out of the classroom. On his way out the student reached into his pocket, pulled out a wad of bills and sneered: "I do not need your education". The student works as a runner in one of the cigarette smuggling cartels with potential to earn more in six months than the teacher earns in one year. He earns bonuses for recruiting other students.

• (1755)

**Mr. Stinson:** Did you report him?

**Mr. Boudria:** If the member had been listening, paying a bit of attention, I was reading from a newspaper article.

**Mr. Hanrahan:** Why did anybody not report him?

**Mr. Boudria:** The member across who just made this remark should know this is no laughing matter. We had all the police officers we could round up trying to enforce the law on the St. Lawrence River in a forested area at night.

This business got so lucrative during one period that they were actually crossing shipments into Canada by helicopter. It got to be that bad. We have a border between Canada and the United States four thousand miles long. One day I was raising this problem with members across who asked why the military was not brought in. Is it the position of the Reform Party, or was it at that time, to have a militarized border four thousand miles long between Canada and the United States?

I am told by people in the know that drug smugglers and others have got out of that business. There was a lot more money to be made in cigarettes. That is where the real money was. That is the situation we had.

I have a report prepared by a forensic and investigative accounting firm known as Lindquist Avey Macdonald Baskerville. That accounting firm had on its staff none other than Rod Stamler, former deputy commissioner of the RCMP, no fool by anyone's account. He described to us how severe this problem was. We had the commissioner of the RCMP give a letter to the Prime Minister which was tabled in this House that said the way to control the crime was reduced to that and only that solution.

I had been saying it to the previous government for years. The previous government would not listen. This Prime Minister, within weeks of seeing the danger to the lives of Canadians and the damage it was doing to Canadian society to see this kind of disrespect for law, took action. I congratulate him.

**Mr. White (North Vancouver, Ref.):** Now it is going to kill teenagers.

**Mr. Boudria:** If I get nothing else from my riding in all the years I will be an MP, and I hope that is another long time, I will be happy because at least I was able to do this. At least I was able to do the right thing.

**Mr. White (North Vancouver, Ref.):** You transferred the problem to teenagers.

**Mr. Boudria:** I did not transfer anything or pass off anything to anyone else.

The members across say they stand for law and order yet they know and the police have told us that was the only possible action we could have taken, and it was the right action.

They say they are against increasing taxes. The leader of the Reform Party stood here yesterday and asked for a commitment not to increase taxes. Today in the dark hours of the day when few reporters are listening we have a private member's bill from a member of the same caucus advocating an increase in taxes.

**Mr. Grubel:** That is a cheap shot.

**Mr. Boudria:** It is not a cheap shot.

**Mr. Breitkreuz (Yorkton—Melville, Ref.):** It is a cheap shot.

**Mr. Boudria:** I do not care if the members think it is cheap or not, this is an important issue. It affects the lives and safety of many Canadians, including my constituents.

I want to say one final thing in the moment or two that is left about respect for law. If it is cheap cigarettes that we wanted to keep off the market, cheap cigarettes were there. They were there and they were sold in schools. It was easier to get illegal cigarettes than legal ones with the contraband that we had. That was the reality.

Finally, what kind of message were we giving to young people in Canada when we were tolerating in society a situation in which the smuggler in the school drove the Corvette while the kids who were obeying the law were walking? That was the situation we had. That was the kind of crime we had and $2 billion a year was made by the underworld in this country. That is what this government was able to stop by its action. I am proud of what it did. Consumption of cigarettes has not increased. On August 18, 1994 the Minister of Health tabled a report. It said quite clearly that smoking had remained flat overall and had not increased. That is the truth. That is the reality. The action taken was the right and proper one.

• (1800)

[*Translation*]

**Mr. André Caron (Jonquière, B.Q.):** Madam Speaker, I listened with interest to the hon. member for Esquimalt—Juan de Fuca, who argued his case so eloquently. I must say that the question of restoring the tax on tobacco to the level that existed on January 1, 1994 is a difficult subject. I will consider two aspects of this question.

First of all, I would like to recall, as did the hon. member for Glengarry—Prescott—Russell, the situation that existed when the tax was abolished. The hon. member for Esquimalt—Juan de Fuca mentioned the fact that the price of a carton of cigarettes in Canada was up to $48, twenty dollars more than in the United States. The result was a brisk trade in contraband cigarettes. The hon. member for Glengarry—Prescott—Russell referred to the impact of cigarette smuggling in Eastern Ontario and the Montreal region.

However, its impact was also felt in regions assumed to be safe, including my own region, Saguenay—Lac–Saint–Jean, which is 300 kilometres from the U.S. border. We had never had a problem with cigarette smuggling.

During the last six months or year the tax was in effect, we started seeing contraband cigarettes in the region. At meetings I saw honest people take out packs of cigarettes marked with the insignia of the U.S. surgeon general, which meant they were contraband U.S. cigarettes. I saw this at meetings of normally law–abiding citizens who do not deal with smuggling rings of any kind.

These people took out their packs of cigarettes without a care in the world and thought nothing of it. It had reached the point where honest citizens did not realize they were breaking the law, because as I see it, that is what they were doing. There are taxes which are levied to provide services. At the time we had a situation where honest citizens felt they could break the law. It was a very bad situation.

In fact, a cigarette smuggler in my region was interviewed. Of course, it was all anonymous. You only saw his profile, and you could hardly recognize him. This guy boasted that he made one million dollars in eight months by hauling truck–load after truck–load of cigarettes into an area 300 kilometres from the border. The situation was truly disgraceful.

But even worse, while this cigarette smuggling network was spreading to my own riding, alcohol smuggling networks, clothes smuggling networks, even jewellery smuggling networks were sprouting. In other words, a number of products which, in the past, had never been smuggled, were becoming fair game for smugglers, and this, in an area like mine which is considered too far from the borders and where smuggling is rather unusual.

I think it was time that Canada took steps to curb this smuggling.

• (1805)

Of course my colleague from Glengarry—Prescott—Russell was instrumental in this, but you will recall that, for weeks, the Bloc Quebecois had been asking the government to roll back taxes on cigarettes because we believed that it was the only way to go. We had tried to bring this plague under control. My colleague described very accurately all the efforts which were made. We had reached the point where we were thinking of bringing in the army. When you find yourself in this kind of situation, you must realize that you have made a mistake, that taxes are too high, that it is too enticing, too tempting for everybody.

As was normal under these circumstances, we lowered taxes on tobacco. And in so doing, we removed much of the cancer that smuggling is.

At the same time, we perhaps avoided another cancer, the one that occurs when citizens start to think that they do not have to follow the rules and to abide by the tax laws. If one can stop paying taxes on tobacco and get away with it, why would one pay taxes on clothing, gas or anything else? Measures had to be taken, I think. And the measures that were taken were adequate.

Of course, this did not solve the tobacco problem. As my colleague for Esquimalt—Juan de Fuca rightly said, this is a huge problem in our society. To me, tobacco is a hard drug. I have friends who have tried to quit smoking but without success.

It probably is as difficult as getting rid of other drugs that are illegal in Canada.

Nevertheless, we came to a point where we had to choose between two evils. I think that, under the circumstances, we temporarily chose the lesser of the two. It does not mean that taxes on cigarettes will be abolished forever. It does not mean that they will not be raised some time in the future—and I think that the Minister of Finance will keep an eye on the situation. I believe that taxes will be raised again, but they will be kept within reasonable limits so that the high price of cigarettes does not become, for some people, an illegal means of making a quick buck.

That does not prevent us, however, from paying particular attention to the growing problem of cigarette smoking.

Like the hon. member, I have also seen young men and women of 15, 16 or 17—I taught in high schools for years and I was stunned to see young 16–and 17–year olds develop a smoking habit. In spite of all the information campaigns and all the pressing requests made, these young people started or continued to smoke. Why? Is it simply a matter of being informed? Let us just say that I am less affirmative than the hon. member; I do not know what the solution is. I do not know exactly what to do to keep our young people from smoking.

I know the situation is very serious and the description made by the member was truly frightening. He may be right in a sense, but then should we prohibit cigarette smoking the same as cannabis, marijuana, cocaine and all these other drugs? I do not think this is possible in a society like ours. I think we will have to compromise; we will have to pursue our efforts to create an awareness and convince young people not to develop this habit. It is important to do so.

I regret to say that I will not support this motion. I believe it is motivated by good intentions. However, under the circumstances and given the situation that prevailed in recent years, it was necessary to greatly reduce taxes on tobacco.

[*English*]

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Madam Speaker, it gives me great pleasure to speak in favour of this motion tonight, a motion that was brought forward by my hon. friend and colleague from Esquimalt—Juan de Fuca.

• (1810)

Members of this House will remember our debates on Bill C–11 and Bill C–32 when we warned the government of the serious health consequences and the human suffering this tax reduction on cigarettes would cost. This motion would correct the government's major mistake and would restore that tax on tobacco to the level existing as of January 1 of this year.

Our concerns about the government's tax reduction on cigarettes were confirmed when the Parliamentary Secretary to the Minister of Health appeared before the Standing Committee on Finance on June 7 and advised that the government's goal was "to reduce the demand for tobacco, the number one cause of preventable death in Canada". She went on to say: "The government fully recognized that the action plan to combat smuggling and the tax measures associated with it would pose health risks". That is from a government member, despite what I hear from across the floor today.

It is inconceivable to me and most Reformers how government can rationalize its goal of preventing death with its actions which will increase smoking and cause many hundreds of deaths.

This government does not seem to have the courage or the intestinal fortitude to do what is right. We were opposed to the tax reduction on cigarettes and tobacco products because it will increase smoking and that cannot be denied, particularly among young people. As a result it will increase health costs.

Reformers find it amazing that the government caved in to the criminal element of society so quickly. It sends the wrong signal to those who would break the law. In effect the Liberal government said: "If you defy the law we will change the law rather than enforce it".

Reformers find it hard to believe that the government did not take a more reasonable approach and impose an effective export tax and increase enforcement in the areas where the majority of smuggling was occurring.

Even the commissioner of the RCMP confirmed in February that 70 per cent of the contraband tobacco was coming through the three Mohawk reserves between Cornwall and Montreal. Therefore all this we hear about big borders is simply a smoke–screen. If that was where the problem was, why not have the courage to enforce the laws of Canada? What are we doing now when the criminal element redirects its smuggling activities to alcohol, drugs and guns? Are we going to simply change the law on that as well? One bad decision leads to more problems and not solutions. The government has not solved a thing by what it has done.

The main point I would like to make today is in regard to the government's disregard for the health of the Canadian people, particularly young people. When the government first introduced its national action campaign to combat smuggling in February, we asked the government to tell us what the increased health costs would be. How many people will start smoking as a result of the tax reduction? How many Canadians will become addicted? How many people will get lung cancer and emphysema, heart disease and strokes? How many people will suffer or

die as a result of the government's tax reduction? How much will it cost the Canadian taxpayer? The government implemented Bill C–32 despite not having the answers to these very important questions.

While the Parliamentary Secretary to the Minister of Health has made it clear that the tax reduction would pose increased health risks, these risks, the costs and the implications for government and the human suffering have not been quantified. Months have gone by with no action by the Liberals.

The Canadian Cancer Society asked the Standing Committee on Finance to complete a thorough evaluation of the health costs and implications of smoking in Canada because such an evaluation has not been done since 1986. Reformers find this appalling.

During debate on Bill C–32 the members of the finance committee listened politely to witness after witness warning them of the serious health consequences. The committee ignored the dozens of excellent recommendations and passed the clause by clause study of Bill C–32 in less than 15 seconds. The clause by clause review of a 62 page bill was done in less than 15 seconds. This is democracy? Is it any wonder that Reformers are pushing for a triple E Senate where we can give some serious and thoughtful sober second thought to the reasoned amendments that we proposed and debated very intelligently?

• (1815)

What will the increased health costs be? The Canadian Cancer Society provided the Standing Committee on Finance with some of the estimates prepared by Professor Robert Allen from the department of economics at Harvard University.

Using Professor Allen's most conservative estimates, he predicted that national cigarette consumption would rise by 14 per cent among adults and 35 per cent among young people. Now we find those estimates were very conservative. Actual increases have been 41 per cent, as has been mentioned by my colleague. The tax reduction implemented by the Liberals will increase the total number of tobacco users in Canada by 840,000. Of this number 175,000 would be teenagers. At this rate Professor Allen predicted health costs would rise in the long term by $1.33 billion per year. That was the most conservative estimate.

Every piece of literature that comes out on this shows there is an increase. How can the government close its eyes and be blind to what is happening? These are Professor Allen's most conservative estimates, as I have said. It could be even higher. It could be as high as 1.89 million new smokers and of these 245,000 would be young people. That would mean $3 billion in increased health care costs, $3 billion, three thousand millions.

Still the government fails to even tell Canadians what the impact will be. It refuses to even conduct its own evaluation of health costs and implications, ignoring the health of Canadians. Liberals love to do studies; they love to have commissions. They like to have all of these consultants tell them things, but when it comes to this issue they close their ears.

During our debate on Bill C–32 we asked the government for a timetable showing when tobacco taxes will start to go up again. None was given. The government acknowledged the dramatic effect that high taxes have on tobacco consumption. It acknowledged that the health promotion surtax will end in three years, but it still has not told Canadians what it plans to do at the end of three years.

During the previous debate we asked the government to make a commitment to raise prices to their level prior to February 8, 1994 at the end of the three years when the health promotion surtax is renewed. Reformers proposed such an amendment, but we were told that only the minister could make such an amendment. The minister chose to ignore this reasonable proposal.

If the government will not support my hon. friend's motion, Reformers respectfully request that the minister introduce a new bill clearly telling Canadians when tobacco taxes will be increased. For the sake of the health of all Canadians, for the sake of all those young people who will take up smoking as a direct result of government's actions, will the government tell Canadians today this is not a permanent tax reduction? Will the government tell Canadians that their health is of more concern to it than the interests of a few smugglers in the tobacco industry?

Government ministers are always accusing us of never telling them what to do. They yell and they shout at us like we do not have a plan, but our blue book has been around a lot longer than their red book.

**The Acting Speaker (Mrs. Maheu):** The hon. member's time has expired. The hon. member for Essex—Windsor and Parliamentary Secretary to the Minister of National Revenue.

**Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.):** Madam Speaker, I must rise today to oppose Motion No. 288 before us. While I appreciate the concern for Canadian health that motivates the hon. member, I cannot agree this is the time for the backward steps he is proposing. It is quite the opposite.

• (1820 )

I feel there are very good reasons why the federal government should maintain the current level of federal tobacco taxes. Just as important, the government should also adhere to the general practice of avoiding earmarked taxes. Let me explain why I believe this to be true.

Hon. members will recall that just nine months ago we were besieged by the black market sale of tax free exports of Canadian cigarettes which were being smuggled back into Canada. Indeed, contraband tobacco products which often sold for less than half the price of legal sales were accounting for an estimated 40 per cent share of Canada's $12.4 billion tobacco

market. The country was confronted with a very serious problem.

Tobacco smuggling was fostering disrespect for our laws and creating serious law enforcement problems. Organized crime networks controlled 95 per cent of the tobacco smuggling. Their tobacco profits helped to fund other illegal activities, including drugs, alcohol and firearms smuggling. Cheap contraband cigarettes were readily available to young Canadians and the problems of smuggling and the attitude of too many Canadians that avoiding tobacco taxes was a sort of game may well have added to the tobacco's appeal to impressionable youngsters.

The consequences were serious. It was undermining the government's health policy objective to reduce tobacco consumption, particularly among youth. As well, many law–abiding merchants were being pushed out of business by the underground sales.

I want to inform the House that the federal and provincial governments were also being deprived of the tobacco tax revenues, $1 billion for each level of government in 1993, that helped to pay for government services and programs that Canadians expect.

To combat this illegal activity, on February 8, 1994 the Prime Minister introduced the action plan on smuggling. That plan includes an enforcement crackdown, reduced taxes on tobacco products, measures affecting tobacco manufacturers and a health promotion surtax on tobacco manufacturers' profits to provide significant funding for health related anti–smoking initiatives.

The enforcement crackdown entails increased RCMP and customs personnel and equipment dedicated to fighting smuggling. Their efforts are particularly aimed at stopping the flow of contraband at key spots along the Canada–U.S. border.

Federal excise taxes have also been reduced by $5 per carton. Up to a maximum federal reduction of $10 we offered to match on a dollar for dollar basis provincial reductions above $5. Most provinces east of Manitoba have reduced their tobacco taxes.

The action plan also imposed an export tax of $8 per carton on Canadian tobacco exports. This reflected the fact that 80 per cent of the cigarettes sold on the black market were Canadian cigarettes manufactured for export.

In addition, the federal tax rate on corporate profits for manufacturing and processing tobacco products was increased by 40 per cent. The revenue generated by this surtax will fund Canada's largest ever anti–smoking campaign.

The government has also undertaken to ban the manufacture of kiddie packs which were targeted at young buyers. It also moved to increase the legal age for purchasing cigarettes, increased fines for selling tobacco to minors, restricted vending machine locations and made health warnings on tobacco packaging more effective.

A majority of Canadians believe the action plan is the right approach to address tobacco smuggling. Their belief is well–founded. Our integrated approach is definitely working.

By seriously reducing profit margins it is eradicating both the supply of and demand for contraband tobacco products. It has particularly caused serious disruption to the operation of organized smuggling networks. It has substantially restored the domestic tax paid market for tobacco products.

However, I want the House to know that this initial success does not provide unconditional support for a tax increase that will bring back previous levels. The fact is some amount of tobacco smuggling continues in central and eastern Canada. Moreover the RCMP reports that smugglers have developed new supply and distribution lines to the western provinces where governments have not reduced tobacco taxes.

• (1825)

I too would like to see tobacco taxes increased but first we must win the battle against smuggling. To that end, tax measures support enforcement efforts and enforcement efforts take time to achieve maximum effectiveness. That is why this government remains committed to strong action to address smuggling on a comprehensive national basis, strong action which includes maintaining federal tobacco taxes at current levels.

Motion No. 288 also calls for the redirection of tax revenues to specifically fund health care costs. The government is not in favour of such action. All members will know that tobacco tax revenues are an important part of government tax collections. In keeping with our general practice of avoiding earmarked taxes, these revenues are used to fund programs and services across many areas of responsibility. This ensures that the government's flexibility to respond to changing needs and conditions is not constrained. It also protects over or underfunding of the selected area.

I should note however that the use of proceeds from the health promotion surtax is an exception to this general rule. In particular this targeted approach was undertaken on the basis of the measure's temporary nature and specific intent to ensure that manufacturers do not derive any benefit from the tobacco tax reductions.

I share the concerns of all members with respect to low tobacco taxes. I know our government has no interest or intent in encouraging tobacco use. Nevertheless, this is not the appropri-

ate time to reintroduce higher tobacco taxes, nor should tobacco taxes be directed solely to health care. Hence, I urge this House to dismiss Motion No. 288.

**The Acting Speaker (Mrs. Maheu):** There are two minutes left.

**Ms. Margaret Bridgman (Surrey North, Ref.):** Madam Speaker, in two minutes I will have to pick something out of my 10 minute speech. I want to thank my colleague from Esquimalt—Juan de Fuca for bringing this topic back to the House for debate.

I want to reiterate what one of my colleagues said previously in relation to the fact that the main issue to address is that we are dancing to someone else's tune. This is the Government of Canada. We make the laws here and because we have some difficulty in enforcing those laws it seems the best way to resolve that issue is to change the laws instead of going out and enforcing the issue.

I would also like to comment on the cost. We all know that if you cannot afford to participate or you cannot afford to buy something, then you do not. That is what the majority of people do. However, what we have done here is we have actually enabled more people to buy and consume cigarettes. It does not matter whether they are young, old or middle aged, the consumption of cigarettes will indeed go up.

We may not feel that effect today from the point of view of how it relates or translates into other services, but we certainly will reap its benefits shall we say from the point of view of taxing our health care services in the future. Here we are debating our social programs and their survival because of our debt and we are implementing an opportunity for people to go out and abuse their health which we will have to address at some time in the future.

• (1830)

**The Acting Speaker (Mrs. Maheu):** I am sorry, 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.

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## ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

PEARSON INTERNATIONAL AIRPORT

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Madam Speaker, my question to the Minister of Transport was a result of a proposal I sent to the minister on October 7.

In that proposal I pointed out that Bill C–22 does not protect Canadians as the minister would have everyone believe. What it does do is strip all Canadians of the right of due process by pronouncing a group of Canadians guilty until proven innocent and then proceeds to remove their right to prove their own innocence.

In his response to my question the minister suggests I want this to go to court to protect my friends. I point out to the minister as I did in my proposal to him that of the group of companies that make up the Pearson Development Corporation only 18.5 per cent have close known ties to the former Tory government.

In actual fact there are far more Liberals than Tories involved in the deal and I have never heard him accuse me of being in this to help the Liberals.

My interest in this matter goes far beyond the subject of the Pearson contract. It goes to a matter of basic justice. If the government can cancel any contract without regard for due process, no one is safe.

The Pearson Development Corporation had a contract with the government. The minister quotes me as stating that I see nothing wrong with the deal. Frankly, I have not found anything wrong. If there is something wrong with the deal, I do not know what it is.

Interestingly enough, according to a secret government document supplied to Robert Nixon, the government also thinks that it is a good deal. Quoting from that secret document, airline rents are in line with other airports undertaking major capital investments. Crown return is considerably better than the crown construction option. The Pearson Development Corporation return on investment is endorsed as a reasonable rate of return by both the Department of Finance and an independent financial consultant.

The parliamentary secretary to the minister stated on October 17 that the government was waiting to get the national airport's program all set up so that it could go ahead and start spending the $740 million that the Pearson investors were going to spend.

Maybe he should consult with the Minister of Finance to find out where their cash strapped government is going to get another three–quarters of a billion dollars. He should also read his own government's secret document that says that this is not a good idea.

If the government chooses to cancel it, that is its prerogative. However, when a contract is cancelled there are rules to govern this. The government chose to ignore those rules.

To put this in an analogy of a ball game, imagine a game, top of the ninth. Canadian taxpayers are ahead four–nothing against the government. The government says it is pulling the ump and putting in a person of its own. It extends the game until it

announces it is over, changes the rules so it can get ahead and then announces that the game is finished.

The Minister of Transport has tried this group of Canadian investors on the basis of accusation alone. He has been the judge, jury and financial executioner. If there is any evidence of illegal activity then and only then are the contractors the ones who have broken the rules.

So far the government has not brought forth any such evidence. A judicial inquiry would help clear the air and assure that justice is done. That was my proposal to the minister.

My question was will the minister agree that the Pearson problem is not going to go away and that the proposal I sent him is the only fair and logical way to bring this matter to a just conclusion. The minister did not answer that question. Therefore I ask it again and I await a response.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Madam Speaker, I am very surprised but not unhappy that the member for Kootenay West—Revelstoke keeps giving us the opportunity to explain how far from reality the member's proposals are.

Let us talk about his October 7 letter to the Minister of Transport. In his opening paragraph, he states that all Canadians will be stripped of their rights to due process by this statute.

The Ministers of Transport and Justice have been scrupulous in ensuring that this legislation is specific to one particular deal, the Pearson international deal.

It has only been one year since the people of the Toronto region expressed their opinion on this deal quite vocally and ultimately quite democratically. They do not want to be tied to this deal. I believe they know very well that their rights are being protected by the government.

While we are truly looking to limit access to the courts by the developers, in case the member has not noticed the consortium is now in court. Even the majority in the other place agreed that members of the consortium could go to court after passage of Bill C–22 if they refused to believe we have the constitutional right to take back Pearson airport in the public interest of Canadians.

I cannot let the hon. member get away with saying they are not asking for any money in their present court case. They are asking for third party indemnity. That means they want to be covered for a lot of money. It is that simple.

The Minister of Transport has most ably presented the costs that the members of the consortium want by way of compensation. They have already submitted claims for lost profits for over $400 million. Those were the claims they submitted when we only asked them to provide their actual expenses. I cannot wait to see what they submit when they want to present their final bills.

I am absolutely amazed that the Reform Party member continues to persist in making this his issue when he knows that the people of Canada support the government on it.

**The Acting Speaker (Mrs. Maheu):** Pursuant to Standing Order 38(5) the motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.37 p.m.)

# HOUSE OF COMMONS

**Friday, October 21, 1994**

The House met at 10 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*English*]

### YUKON SURFACE RIGHTS BOARD ACT

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.)** moved that Bill C–55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon territory and to amend other acts in relation thereto, be read the second time and referred to a committee.

He said: Mr. Speaker, I rise today to address the House on Bill C–55, the Yukon Surface Rights Board Act.

My hon. colleagues are very familiar with the issues relating to Yukon, particularly to the rest of the native peoples of Yukon. The House passed legislative initiatives in June that will shape the political and economic future of the territory today. We are being asked at this time to ensure that those efforts were not in vain by putting in place the final legislative building block to allow implementation of the land claims settlement in the Yukon.

• (1005)

Just before the House recessed this summer we dealt with two important pieces of legislation: the Yukon First Nations Land Claims Settlement Act and the Yukon First Nations Self–Government Act.

Hon. members will recall that the first act when proclaimed into force will establish a territory wide framework for the implementation of land claim settlement agreements with each of the 14 Yukon First Nations. It will give effect to four final agreements under the framework.

The second act will give effect to the Yukon First Nations self–government agreements which are successfully negotiated. Self–government agreements have been negotiated with four First Nations for final land claims agreements: the Vuntut Gwich'in First Nation; the First Nation of Na–cho–ny'a'k–dun; the Champagne and Aishihik First Nations; and the Teslin Tlingit Council.

Those two bills were approved by Parliament. They have received royal assent and are now awaiting proclamation into force. Before that can occur however and before Yukon residents can begin to benefit from the certainty their land claims agreement will bring, the government must establish a new surface rights regime in the territory which is what we are doing today. Bill C–55 will do that.

With the new surface rights bill, Canada is delivering on its commitment set out in the land claims settlement agreements which as hon. members know were signed by the federal and territorial governments and the Council for Yukon Indians in May 1993. That is after 21 years of negotiations.

The umbrella final agreement as it was called required separate legislation to enact a new surface rights regime which is why Bill C–55 is now before the House. Separate legislation will also be required within two years to establish the Yukon development assessment act which will evaluate the environmental impact of development proposals.

It is important for the House to be mindful of the changes that are occurring in the Yukon in order to fully appreciate the need for a new surface rights regime.

Over the coming months and years large tracts of lands in the Yukon will be confirmed as lands held exclusively by individual First Nations as their final agreements are implemented. This will signal a significant change for the territory and its residents as most land is currently held by the crown. In future the Government of Canada will no longer be calling the shots or laying out the ground rules for use of land throughout Yukon. More and more crown land in Yukon will become private land owned by either Yukon First Nations or by private citizens as is the common situation in much of Canada.

Under the land claims agreement Yukon First Nations will have title to both the surface and subsurface mines and minerals on some of their settlement lands known as category A lands. On category B lands the First Nations will own the surface but the crown will retain its interest in the subsurface. However, to get at minerals below the surface, companies will require access over the surface.

As hon. colleagues know from our debate on the Land Claims Settlement Act, we anticipate that mining and petroleum companies will be eager to begin developing Yukon subsurface resources. In fact the desire to establish certainty of land

ownership and rights so that resource developments can go forward is one of the driving forces behind the land claims settlement agreement.

The government must do everything in its power to support economic development while respecting and protecting the rights and interests of both aboriginal and non–aboriginal Yukoners. That means looking ahead, preparing for change and working with the various parties to ensure fair and reasonable treatment.

Years of uncertainty concerning land title in Yukon will now end with the completion of the land claim. The surface rights bill concludes the package necessary to bring the land claim agreement into effect.

The bill will require people to attempt to negotiate agreements before bringing a dispute before the board. It will also establish a process to obtain access to private and public lands that will put in place a mechanism to deal efficiently with disputes between the surface owners of the land and the owners of the subsurface resource.

• (1010)

The bill is important. It is procedural but it is important because without this bill the other two bills will not come into play. It is our responsibility not only to do the first two bills but to ensure that all the bills we undertook to bring in are brought before the House.

The Yukon First Nations land claims have been discussed in Yukon for over 21 years and it is going to take me another year to get all these bills through. The Council for Yukon Indians submitted its claim in 1973.

The bill in particular is the result of extensive consultations with representatives of the First Nations, the territorial government, the mining industry, including the Chamber of Mines and the Klondike Placer Miners Association.

Sometimes I think all they do in Yukon is discuss these bills. I keep referring to the same people. If they are watching on television they must be getting a chuckle out of this. Consultations have taken place for more than a year and many of these parties have been directly involved in drafting this legislation.

Under Bill C–55 the surface rights board will be given a range of powers, including the power to establish terms and conditions of access on both settlement and non–settlement land, and the power to award compensation for access and for damage resulting from that access.

There are a number of instances in which the surface rights boards might become involved in dispute resolution. For example, if a new mineral rights owner and a First Nation or surface rights holder cannot reach a negotiated agreement—and there must be an attempt at negotiation or they cannot get to the board—permitting access to the land and minerals, the operator can apply to the Yukon surface rights board for a right of entry order. In such a case the board might issue an interim access order while compensation and other issues are addressed either by the parties or by the board.

The board could also award partial compensation when issuing an interim access order. It would establish an entry fee to be paid to the Yukon First Nation on settlement land before the access order could be finalized. There could be no entry fee for access to non–settlement land.

Bill C–55 will provide that an order of the surface rights board will be enforceable through the Supreme Court of the Yukon territory. The board may review its own decisions if it believes there has been a change in the facts or circumstances.

Decisions made by the board may be appealed to the Supreme Court of Yukon on limited grounds such as bias or a lack of procedural fairness, much the same grounds that are prevalent on any board. It is a procedural appeal on bias, fairness or lack of cross–examination, those types of appeals, but not on fact finding or things of that nature. Our objective is to keep surface rights issues out of the courts as much as possible. Litigation is costly and time consuming for all parties.

Hon. members should also be aware that resolving disputes through the surface rights boards will be used only as a last resort. People will be required to attempt to negotiate agreements and possibly to seek mediation before bringing a dispute before the board.

The surface rights board is not adding another layer of government in Yukon; in fact the opposite is true. In other words, we are not creating more government; we are helping to build better government. We are ensuring that all sectors of Yukon society will have a respected voice and direct participation in the decision making process that in the past has been exercised by government alone.

This is clearly a time of change in Yukon, but change that is properly planned and managed. Bill C–55 is part of the process of managing change. I am confident that the surface rights regime will work to the benefit of all Yukoners.

It is time, as has been pointed out in the red book, that we devolve jurisdiction to Yukon. This was our commitment; this is what the Prime Minister said. There is a series of initiatives and legislation that will come before the House this fall. Hopefully within the term of this government Yukon will have all the powers that a normal province would have.

• (1015)

The leader of Yukon wants to proceed. I talk to him on a fairly regular basis. He really has an idea of where he wants to go. With the DIAND employees he wants to be fair. He is trying to be fair with us, dealing with the federal government, even though we do not have the same political stripe. He is a very fair

leader. Within three or four years this will be done and Yukon will fulfil its destiny.

We hear so much about Yukon. We read so much about Yukon. We run Yukon from Ottawa. I do not think it is right and I do not think it is something that we want. This is one more building block to do exactly what the Prime Minister and the party said in its red book, to evolve Yukon and let it take its destiny into its own hands.

The Government of Yukon, the First Nations of Yukon, the Chamber of Commerce in Yukon and the rest of them we are consulting with on a regular basis.

[*Translation*]

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, it is with pleasure that I rise on behalf of the Official Opposition to speak to Bill C–55, to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other acts in relation thereto.

This bill was introduced after two other pieces of legislation, namely the Yukon First Nations Self–Government Act and the Land Claims Settlement Act, were passed by this House last June.

Before getting into my analysis of Bill C–55, I would like to describe these two acts to show how important they are and, because of its connection with these acts, how important it is that the bill before us this morning be passed, even if it means making appropriate amendments, which we will consider in committee.

All bills concerning Yukon Indians arise from an extensive process started in Canada, and in Quebec, in particular, two decades ago, when the government of Quebec signed with the James Bay Cree an agreement that came to be known as the James Bay Agreement. This agreement resulted at the time from negotiations conducted in good faith. The Cree were happy, the government of Quebec was happy, Hydro–Québec was happy and the federal Parliament had assented to the enabling legislation for the James Bay Agreement.

I want to make it quite clear that what is going on in the Yukon, as well as what happened in the Northwest Territories and is happening in several parts of Canada in terms of negotiations with native communities, is nothing new. It is not to be dreaded. We are not breaking new ground here. This is a process that was initiated a while back. Certain experience was gained, especially in Quebec, and I would think that it was a pleasant one in the case of Quebec.

In June, we passed two acts concerning Yukon Indians. The first one was designed to provide certain guidelines regarding self–government. It is a self–administration agreement. Some areas of the Yukon have been inhabited from time immemorial by Native peoples. Over the years, these peoples have seen the south expand onto their lands. Mining companies came, trappers came and people from abroad came to the Yukon. The natives saw this happening and thought to themselves: "These people are on our land". I think that it was legitimate for them to want to be masters in their own house so to speak. So, negotiations commenced and from these negotiations arose, among other things, an agreement respecting self–government for first nations. I think it is important to point this out.

• (1020)

The first nations have their own personality, existence and cultural identity, and I think no one here questions the existence of an Aboriginal, Indian and Inuit identity in Canada, which is destined to grow and assert itself.

The agreement on self–government would allow Aboriginal people to make decisions in a number of areas concerning them. They were given—I will go over this quickly as it is not necessarily the subject matter of the bill before us but I think it is important because it is related—some legislative powers, for example for local and private laws relating to social programs and services. It is very important for Native people to be able to set up social services meeting their needs.

I read in this morning's newspapers that Mohawks in Quebec have been given responsibility for job training, which is one of Quebec's traditional demands. We in Quebec have always said that, as a people, we wanted to develop our own workforce, and we see in this morning's newspapers that the federal government will examine how it will be done and the objectives it is pursuing, at least in the case of Quebec's Native people. At the outset, however, we note that the federal government agreed that it is important for a nation, a people to control some aspects of its workforce and social programs.

Mohawks in Quebec will have responsibilities in this area, similar to those given in the agreement on Yukon Indians. I say given because, if we look at what is happening with Canada's Native peoples, I think that in the last century and the first part of this one the federal government put itself in the position to give such responsibilities to the people. Even the Indian Act is very clear on this.

The Yukon Aboriginal people were given some elements of self–government such as responsibility for social programs and citizen services and the power to impose fees and to collect certain taxes. In addition to all this, each first nation will have its own constitution and citizenship code. Each will be able to have authority in the administration of justice.

You can see how all this was done: peoples with their own identity were given certain tools to ensure their autonomy. This House should be congratulated for having passed Bill C–34 last June. It is all very well to have some self–government, to have responsibilities, but you also need a territory on which to exercise those responsibilities and over the past 20 years, the

Yukon Indians, as the minister said, negotiated to reach a land claims agreement.

This agreement was the subject of Bill C–33, which this House passed in June. It is a framework for 14 Yukon First Nations—the Yukon Indians are divided into 14 First Nations with a population of 8,000 or 9,000. The agreement provided for a certain division of lands. Yukon is a vast territory covering over 41,000 square kilometres. On some of the land, the native peoples were granted ownership of the surface and sub–surface, or should I say that their ownership was recognized.

On other parts of the territory, they have only surface rights. This means that the jurisdiction they obtained in the self–government agreement can be exercised on certain territories.

• (1025)

The land claims settlement gives the native peoples some other benefits; for example, Canada conceded $242 million in compensation divided among the 14 nations for a certain number of years. They also obtained rights to exploit the wildlife for purposes of subsistence within the territory. They obtained exclusive hunting rights within other territories.

That law gave them a territory and clarified the question of surface and sub–surface rights. That is important because for many years Southerners like me thought that the North was a place where very little happened. There was snow and nothing else. We did not know that it was the homeland of native peoples who had been living there since time immemorial.

But the North became topical, in Quebec and in the rest of Canada, when natural resource development attracted individuals and companies interested in oil or hydro–electricity. From that point on, it was necessary to define who was entitled to what territory and who could do what within it. I think that we are well on the way to determining that with the two laws on self–government and land claims.

It is important in the Yukon, the Northwest Territories and everywhere in Canada to reach a sort of friendly agreement among the various population groups on how the land will be occupied. Groups which have their own identity must be able to maintain and affirm that identity without interfering with the activities or identity of other Canadian communities.

Whether in Canada or in Quebec, and this is particularly true in the case of the aboriginal issue, I think everyone will agree that there is good will on both sides and that a satisfactory agreement for all concerned will be reached.

I referred to agreements regarding self–government. I also said that Yukon first nations had obtained rights regarding the definition of territory. However, once certain rights are recognized, there may still be disputes and controversies. At some point, certain issues will have to be settled, whether these concern some corporations from the South interested in promoting northern development or Canadians wishing to do things in the Yukon. Someone will have to make decisions regarding the rights of everyone concerned. As is always the case, laws and regulations are passed, but there has to be a court of law or an administrative tribunal to render decisions, otherwise things simply do not work.

Let me give you an example. In recent weeks, the Committee on Aboriginal Affairs and Northern Development looked at what happened in Manitoba when Hydro Manitoba tried to build a number of dams to generate hydroelectric power on the Churchill and Nelson Rivers. The committee found that an agreement existed but had not been implemented. I hope to have the opportunity to provide more details to the House on this issue when we will look at Bill C–36, which deals with the Split Lake agreement, in northern Manitoba. The problem with hydroelectric development on the Churchill and Nelson rivers in northern Manitoba is that a rather vague agreement was reached but never implemented. The result is that, almost 20 years later, the issue has to go back before Parliament and new agreements must be reached so that the original one from 1977 can be implemented.

• (1030)

As you can see, it is important, when establishing new definitions of territory and rights, to make it very clear that a body is also created to settle disputes.

This is exactly what Bill C–55 does by establishing the Yukon Surface Rights Board. As its name indicates, the board will have jurisdiction over surface rights. In other words, it will be established to settle any discussion, dispute or argument individuals or corporations may have on this issue.

The board members will be designated by the federal government. The bill provides for up to eleven members to be appointed, one half on the recommendation of the Yukon First Nations. I think this is very important, because the disputes the board will have to settle directly affect the Natives, the first people of the Yukon.

So, I think it is important for the Yukon residents, as well as for the people of Canada and of Quebec, to know that, when such disputes will arise, there will be some members on this tribunal, which is not really tribunal, but a board authorized to arbitrate in this type of disputes, who will know what life is for Natives. This is important, because those who pass judgment on a justice issue or any other matter must understand the point of view of the various people from different backgrounds appearing before them.

Fortunately, this bill provides for half of the board members to be appointed on the recommendation of the Native people. I would have expected nothing less but I would hope that the Yukon First Nations will recommend people from their own communities.

However, one section of the bill says that board members do not necessarily have to come from Yukon. Does that mean that somebody from Montreal, Ottawa or Saskatoon, for example, could sit on this tribunal? It makes you wonder. Surely, there are in Canada people who are quite competent to rule on the issues that will be put before the Board. But I, for one, would prefer to see Yukon residents on this board, as they are in a position to make a judgment on the facts they are presented with in the light, again, of the cultural point of view of aboriginal people, of the first nations who will ask the board to make a decision.

As I said, this bill essentially provides for the creation of the board and stipulates how it will be set up, how it will work. It defines its responsibilities, its jurisdiction and its funding. The federal government will take care of its funding.

• (1035)

Maybe this issue will be discussed further in committee because, when we talk about costs these days in Canada, people become nervous. They have the impression that the government's main objective is to cut spending. But we know that, in reality, all the money that the government collects is used to provide adequate services to Canadians. After all, the important thing is to make the people happy, and not necessarily to make bankers, creditors and financiers happy. As politicians, we have to consider what is best for Canadians. But I am getting away from the issue here.

When we study this bill in committee, some people may wonder how come the government is paying for this board. I think it is quite normal that the government should pay for this board, the same way it pays for the courts and for a number of other agencies which have to be financially independent to be able to exercise their jurisdiction. I do not think that it would serve the interests of Canada, Quebec or the Yukon first nations if the board established under Bill C–55 were ineffective because of inadequate funding.

You certainly can infer from my remarks that my party supports the adoption of Bill C–55. Obviously, we will examine a number of its provisions more closely in committee. After all, it is a complex piece of legislation. In all these situations, the average Canadian who looks at the issue wants justice to be served. The average Canadian agrees that aboriginal people should get all the guarantees they need for their collective survival and development. The importance of that has been well understood in Quebec.

The Quebec government did recognize the first nations in its jurisdiction through a motion passed by the National Assembly. There have also been new developments since the election of the Parti Quebecois. Proposals have been made, and, despite radical positions by first nations in Quebec that may be more negotiating positions or posturing for the media that anything else, a new spirit has emerged. The Quebec government has made firm proposals, and there will be more.

People in Quebec are open to the concept of making new proposals, and Canadians would also like to find a basis of agreement that would be acceptable to all peoples in Canada, whether it is the Quebec people, the Indian peoples or nations, or all other groups in Canada.

The bill should be examined closely in committee so that Canadians can be sure that their federal Parliament did its homework and that the content of the act is reasonable. In matters such as self–government and land claims, it is all too easy to be destructive. Passion and prejudice can come into play, and there is always a risk of disinformation.

Since I became a member of the Aboriginal Affairs Committee, I have a better understanding of the status of aboriginal nations in Canada, although like many Quebecers and Canadians, I was already very sympathetic and very receptive to certain aboriginal claims. Recommendations and requests submitted to the committee were linked with the very survival of these nations as such.

• (1040)

As a Quebecer, I am on very familiar ground when people talk about self–government, nations, territory and rights, because in Quebec, ever since I became aware of the political situation, at least since the early sixties, that is the kind of language we have heard. It is a language I understand, and these positions are ones I have taken myself. I think it is important for nations to keep their identity, to survive and develop their potential.

When a nation disappears, when a culture disappears and when an identity disappears, this weakens us all, because in today's world we must realize that uniformity and levelling differences are not the answer to our problems. The futur belongs to those who recognize the rights of others and that all nations, languages and cultures should be allowed to live and thrive.

When we consider this kind of legislation and discuss it in the House and in committee, we should carefully examine what is at stake. Obviously, all committees, whether we are talking about the Committee on Human Resources or the Defence Committee, are expected to do a good job, but when we are talking about aboriginal issues in Canada, I think it is very important for parliamentarians to proceed carefully in order to make the right decisions and do a good job of informing the public.

In fact, there are a lot of rumours and a lot of biased information going around. When I mentioned to my constituents that we had a land claim settlement agreement involving fourteen Yukon nations, they said: "What is going on? Are you splitting up the country, are you giving Canada and part of our taxes to aboriginal nations?" I told them: "Of course not".

Then you explain the situation. There are aboriginal nations in Canada who have certain rights. There are territories, and these territories must be shared. We have to live together, so we have to decide how and this means negotiating agreements, which is what happened in the Yukon. An agreement was negotiated and will now be ratified by the Parliament of Canada. We had the same procedure for James Bay. Today, agreements are being negotiated in Northern Quebec and with other aboriginal nations in Quebec.

In my region we have a Montagnais nation, the Lac–Saint–Jean Montagnais, who are negotiating a land claim settlement. Last year, they concluded an agreement with Hydro–Québec on payments in connection with power transmission. I think we are moving slowly toward a mutually acceptable way of life which will benefit all Canadians.

However, I feel we should keep people informed so that they can understand fully what is going on, what our goals are and within what framework we are going to proceed. Otherwise, people harden their position and oppose everything. They then set conditions which virtually amount to outright rejection. And so I think it is important to establish a framework, as we are doing in Quebec, especially on the issue of border immutability. I believe my party, the Bloc Quebecois, said it quite clearly recently. The Parti Quebecois also said it. The issue of negotiations with the native people is open, but when it comes to Quebec's territory and the future of its borders, that is not negotiable.

• (1045)

I trust that, just as an agreement has been reached with the native people regarding the Yukon, Nunavut and other regions of Canada, Quebecers will reach agreements with native peoples in Quebec, because we share a territory. Quebecers have lived there for over 350 years. Personally, my ancestors came to Canada in 1636. I do not come from France or anywhere else. I come from Quebec. I cannot imagine that I could live anywhere else or that I could not live on this land, which is mine.

I consider Quebec as my homeland, but I know perfectly well that some people in Quebec consider parts of that territory to be their own. Since we are together and we must live together, we must negotiate and come to an agreement.

I have every confidence that, throughout Canada we will reach agreements similar to the one that came about in Yukon. We will do the same thing in Quebec and we will finally find common ground. But in order to do so, we must express clear objectives and the agreements must be examined closely, and everything must be explained thoroughly. That is why we will study the bill carefully in committee. Many questions come to my mind and I certainly do not want to debate in this House topics that will be discussed in committee. We will want to clarify a few points; for example, we will want to know why one clause specifies that, if board members were in a major conflict of interest situation, they could not vote on a given issue. I feel that when you are in a conflict of interest, you should not rule on any matter whatsoever.

The Bloc Quebecois still supports the substance of this bill, because it will create an organization which will resolve or alleviate problems in the implementation of agreements that were reached on self–government and land claims. I think that it is important to create an organization which will be able to operate in the best interest of everyone.

That is what we will be examining in committee. We will ask some questions. From what I can see, first of all, we will possibly move some amendments so that the board can function in the best way possible. We do not want to use opposition to the bill, or to some of its clauses, as an excuse to indirectly cause the failure of the agreements that were reached in the Yukon. These agreements must be implemented. That is absolutely necessary. We do not have the right to disappoint some people, the Indian nations, to disappoint the people of Yukon who were expecting these agreements.

Let us keep in mind what happened on the Nelson and Churchill Rivers in Manitoba. I think that situations such as the ones that happened there should not occur elsewhere. That is why there must be some organizations that are able to rule on the implementation of agreements. And the bill before us is aimed at defining an organization such as these.

Rest assured that the Bloc Quebecois will do everything that is possible and imaginable to make that organization as functional as possible, as efficient as possible, so that the agreements that were reached in good faith between the government of Canada, the government of Yukon and the nations of Yukon are implemented to the benefit of the people of Yukon, of the nations of Yukon, of the people of Canada and of the people of Quebec.

• (1050)

[*English*]

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, it is a pleasure to begin second reading debate on Bill C–55 on behalf of the Reform Party. It is important to recognize the importance of the mining industry to Yukon. It is a major,

non–government industry in a jurisdiction that is more than 70 per cent dependent on federal government spending.

In some ways one could look on debate of Bill C–55 as the end, the resolution, and the confirmation of the principles contained in Bill C–33 and Bill C–34.

The mining industry has a current campaigned called "Keep Mining in Canada". Governments have tended to take the industry for granted in many jurisdictions where it has made operations very difficult, expensive, time consuming and uncertain. Also we have a Canadian tax regime that can be considered unfriendly in international terms.

Within my riding there are several operating mines. The BHP Utah mine, the Westmin mine, Texada mines and Quinsum Coal. Quinsum Coal has 25 employees who previously worked at the Westray mine in Nova Scotia. We all know Westray is where they had the disaster. These people feel very abused by actions of government.

I understand, accept and realize that there is pent up investment in the Yukon waiting for the uncertainty of Bills C–33, C–34 and C–55 to be over and done with so that investment can take place. This is a situation where the bureaucracy knows best.

In Whitehorse, to my surprise, the Department of Indian Affairs and Northern Development vehicles say Indian and Northern Affairs Canada. There is a tendency within the bureaucracy toward the native affairs side rather than the northern development side. The focus is changing from one of servicing mining industry needs to other priorities. I see this symbolized. The rationale is that it translates better into the French. I do not view that as reason enough. I have viewed this in a previous life in Parks Canada where I always had an understanding that Canadian parks were set up for Canadian taxpayers to enjoy a park like setting.

Within the parks service, the group primarily oriented to servicing the public was the park warden service. What we viewed within the bureaucracy was competition between the park wardens and the naturalists. The naturalists have won those competing agendas. If we want to progress within that bureaucracy our opportunities are much higher if we come from the naturalists side. That has now impacted on the mission statements of Parks Canada in many ways.

This has been foisted on the Canadian public without their full knowledge. One could ask the question: Why does the Minister of Natural Resources have the mandate for the Metis in Canada and the Minister of Indian Affairs and Northern Development have the mandate for mining north of 60 degrees, in other words, the territories. The north is already suffering because it is the playground of the federal government and the federal bureaucracy. I recommend that we do not reinforce this by making it one minister's playground.

• (1055)

Yukon has only 28,000 people. I am sure they will make bad rules work. I understand last year the Yukon economy dropped by 19 per cent due to the closure of one major operating mine, the Faro mine. I also understand that the economy of the Northwest Territories shrank.

Bill C–55 is meant to fulfil commitments to implement the constitutionally protected final land claim settlement agreement known as Bill C–33. Bill C–55 may confirm the principles contained in Bills C–33 and C–34 but it in no way ends disputes or in itself resolves conflicts that may arise.

Mechanisms or boards put in place are only as good or as confident or as well intentioned as the people we place on these boards. We have only just begun.

Since Parliament began in January 1994 we have concluded massive land claim settlements for the Sahtu, Dene and Metis to the tune of $197 million. We have concluded the Yukon settlement for which we are here today to the tune of $163 million.

This is not the total dollar amount. The implementation costs will run another $263 million for these claims for a total of $596 million, according to the public accounts released this week. According to these same public accounts, there are contingent liabilities of $8.3 billion in claims in pending and threatened litigation.

Despite the finance minister's declaration that we are in hawk up to our eyeballs, the government continues to ignore the perilous fiscal situation we have created and continue to sustain in land claim settlements.

In addition to the $8.3 billion I just mentioned, there are another 460 specific native claims and lawsuits that currently have no dollar figure and currently do not form part of the known liabilities.

Frankly no one knows what the total amount may be. That is the frightening part. If the Minister of Finance is that concerned with the fiscal situation he might want to start a review of the policy and settlement mandate the minister of—

**The Speaker:** We will be taking up the debate right after question period and the hon. member will be recognized at that time.

It being 11 a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

*S. O. 31*

# STATEMENTS BY MEMBERS

[*Translation*]

## COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Mr. Martin Cauchon (Outremont, Lib):** Mr. Speaker, it is about time that Bloc members recognize and give credit to efforts made by both levels of government and concerned Quebecers to find a new vocation for the Collège militaire royal de Saint–Jean.

On July 19, both governments reached an agreement under which the federal government will provide $25 million over five years to set up a university study centre. Starting September 1995, Quebec will be in charge of the centre's operations. Everyone agrees that this plan will boost the local economy.

Moreover, a working group made up of representatives from the business world, labour, financial institutions, and socio–economic agencies came on board in early September with a view to drawing up an action plan concerning labour re–training and the economic diversification of surrounding communities.

As further proof of the merits of joining one's efforts to those of the various stakeholders, the college is still alive and has a new vocation.

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## BREAST CANCER WEEK

**Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ):** Mr. Speaker, I would like to bring to the attention of the House that Breast Cancer Week is coming to an end. I hope that, this week, all stakeholders in the political and scientific community have had the opportunity to stop and reflect on the importance of research and of funding support groups as a way to find a cure for this disease, which affects an increasing number of women.

Such reflection is important because, notwithstanding lofty statements in support of medical research in this area, several women's groups are questioning the health minister's sincerity. For example, the federal government is going to sink $12 million in a forum on health which is bound to fail, while research on breast cancer needs additional money to be able to make important inroads.

The Government of Canada must send a clear message to Canadian and Quebec women.

* * *

[*English*]

## PENSIONS

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Mr. Speaker, in response to a request from my riding of Okanagan—Shuswap I call on this House to support the Canadian Alliance of British Pensioners in their fight to get their United Kingdom pensions indexed here in Canada. These British pensions are already indexed in the United Kingdom, the United States and Europe.

Were these pensions indexed to today's levels, Canadian taxpayers would be relieved of some of their responsibility to support many of these people who may receive as little as $10 a week after a lifetime of mandatory contributions.

Many British pensioners living in Canada today were our allies or support personnel during the second world war but today find themselves in poverty despite their own best efforts because of worldwide inflation which has eaten away at the value of their retirement income.

Their cause deserves our support.

* * *

[*Translation*]

## ECONOMIC RECOVERY

**Mr. David Berger (Saint–Henri—Westmount, Lib.):** Mr. Speaker, almost a year after the election of a Liberal government, the economic recovery is well under way and Canadians are regaining their confidence. This recovery is being acknowledged by consumers. According to a recent report from Statistics Canada, consumption this year had gone up almost 10 per cent. More than 240,000 new jobs have been created over the last year, 60,000 of them in Quebec. Exports are on the rise, and so are company profits.

Confidence is spreading to the whole country, and this is proof that the Liberal government has fulfilled its electoral promises. I urge my colleagues in government and in opposition to co–ordinate their efforts to continue giving Canadians equity, expertise and leadership.

* * *

[*English*]

## CANADIAN BREAST CANCER FOUNDATION

**Mr. Dennis J. Mills (Broadview—Greenwood, Lib.):** Mr. Speaker, it is estimated that approximately 17,000 Canadian women will develop breast cancer in 1994. Consequently the Canadian Breast Cancer Foundation was established in Toronto in 1986, spearheaded by Nancy Paul.

With the incidence of breast cancer rising by 15 per cent each year, the Canadian Breast Cancer Foundation has devoted its energies to fund raising for more research, treatment and education.

This week they are holding the third annual Honda Events "Run for the Cure" in seven major cities across Canada. These events will take place in Toronto, Vancouver, Victoria, Calgary, Edmonton, Winnipeg and Ottawa on Sunday, October 23. We wish them well and encourage all Canadians to support them in this endeavour.

[*Translation*]

## THE ENVIRONMENT

**Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.):** Mr. Speaker, the Minister of the Environment announced that the Canadian Environmental Assessment Act would be proclaimed shortly.

The four main regulations for the enforcement of the act have been amended to make them stronger than the versions released by the previous government.

The minister also announced that three amendments would be submitted to the House in order to improve some important provisions of the legislation. First, we will confirm the principle of financial help to groups wishing to be heard by the assessment boards.

Second, board recommendations will have to be submitted to Cabinet. However, should Cabinet decide not to follow the recommendations, it will now have to answer to the people and explain its reasons.

Third, the principle of one project, one assessment, so dear to the hearts of our colleagues opposite, will be included in the legislation to remove any ambiguity.

It is therefore clear that the commitments contained in the red book are being fulfilled.

* * *

● (1105)

## IMMIGRATION

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, the Portuguese community in Quebec and in Canada is offended by the attitude of the Department of Citizenship and Immigration, which requires that their visiting relatives have a visa. The 300,000 members of this community, 60,000 of whom live in Quebec, find it unacceptable that Portugal is the only country of the European Economic Community subject to this requirement.

The Bloc Quebecois feels that there is no justification for maintaining such a requirement, given that the department is preparing to waive it for Hungarian tourists and has already done so for Koreans.

Mr. Minister, I would ask you to do the responsible thing and stop this groundless discrimination.

* * *

[*English*]

## HIBERNIA

**Mr. David Chatters (Athabasca, Ref.):** Mr. Speaker, on October 19 the Minister of Natural Resources in the House assured hon. members that her government anticipates a reasonable and fair rate of return on Canada's investment in Hibernia. However, in a letter from Ken Hull, president of the Hibernia Management and Development Company, dated June 1994, he said:

> Sufficient revenues will be generated to cover all gross capital and operating costs, but no return on investment.

Even this statement is suspect. If one cares to do some simple arithmetic on the project simply take $16 billion, which is the total cost of the project, divide it by 615 million barrels of recoverable reserves and one gets a figure of $20.75 per barrel. With today's oil priced at $17.55 per barrel, it is not only difficult to see any return on investment, it is difficult to see how the project will cover capital costs.

It would be nice if the minister might one day explain these inconsistencies.

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## WOMEN'S INSTITUTES OF CANADA

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Mr. Speaker, I would like to take this time to pay tribute to the Women's Institutes of Canada, particularly the members of the women's institutes in Perth county and the Avonton branch which is celebrating its 70th anniversary in community service.

The Women's Institutes of Canada was founded as an educational organization based on principles of sound nutrition, safe food, health and fitness and the right of women to have access of up to date information on issues that affect themselves and their families.

There are over 16,000 members in Ontario alone. The organization has been instrumental in accomplishing a number of improvements in our way of life.

Mr. Speaker, did you know that it was women's institutes that fought for the pasteurization of milk, signs at railroad crossings, buses stopping at railroad crossings, clear marking of poison on containers and the painting of white lines on our highways for safety? These are just some of the things that we take for granted today that were once the rallying cries of women's institutes.

I congratulate all members of the organization.

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## CANADIAN WHEAT BOARD

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I congratulate those western farmers who showed their strong support yesterday in Regina for the Canadian Wheat Board. It is high time the silent majority of farmers in the west took a strong public stand in support of, as one farm leader stated, this world class selling agency.

I was greatly concerned on the other hand to see those few who advocated a dual marketing system for wheat so openly declare their intention to violate the laws of the country in order

to get their own way. "Catch me if you can", said one of the law–breakers.

I remind the House that the single desk marketing system this country has for wheat and barley is under a well organized and concentrated attack by a few individuals in the trades so a few can gain at the expense of the many.

Again, my congratulations to the majority in western Canada who are pro–wheat board farmers for speaking out. Keep up the fight. The government is with you.

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## AL HOPKINS

**Ms. Bonnie Brown (Oakville—Milton, Lib.):** Mr. Speaker, I want to pay tribute to a Canadian business leader. Mr. Al Hopkins, the president of Algoma Steel, recently received as part of his employment contract a $400,000 performance bonus, but he gave it back.

Algoma Steel is still struggling and the workers who own 60 per cent of the common stock have their wages frozen. Mr. Hopkins realized that taking the bonus would have eroded the team spirit he was trying to build. In his own words: "The basic thing is trust. Once you establish a base of trust you can do a lot of things".

Mr. Hopkins obviously rejects the personal greed so prevalent in the last decade. He understands the need for co–operation, trust and team work. Mr. Hopkins is a business leader of the 1990s in the true Canadian tradition.

Please join me in applauding him today.

* * *

• (1110)

[*Translation*]

## GUN CONTROL

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, it was with dismay that we learned of the events in Port Perry and at Brockton High School, in which seven people, three police officers and two teachers were shot yesterday. I would like to extend my sympathy to the people of Ontario, both personally and on behalf of my colleagues in the Bloc Quebecois.

Quebecers are very sensitive to this kind of violent act. Well they remember the tragic events at the Ecole polytechnique and at Concordia University, to mention just two examples, and these events will remain engraved in our collective memory. We can only reiterate our appeal to the Minister of Justice to table in this House at the earliest opportunity a bill ensuring better control of firearms.

[*English*]

Again, let me offer my deepest sympathy to those who were affected by this wanton act of violence.

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## THE ECONOMY

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, I have consistently spoken out against the infrastructure program as a program which taxpayers cannot afford in view of the deficit and debt we are struggling with.

Since the government was determined to spend tax money I supported a project that was infrastructure and included private sector funding. If we are going to put additional debt on the shoulders of our children and grandchildren let it be to the common benefit.

At least this project was true to the red ink book promise of transportation and communication links and water and sewage. There is no mention in the red ink book about boccie courts, canoe halls of fame or trade centres. It is this deviation that causes distrust in the voters.

Given the recent discovery by the finance minister that the deficit and debt are indeed as serious as Reformers said they were this program should be stopped now.

The debt clock this morning is at $535,119,203,409.

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## GUN CONTROL

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, in the last few hours Canadians have learned once again of violent deaths associated with armed robbery and other forms of misuse of firearms. I emphasize the misuse of firearms.

Considering the ongoing misuse of firearms and the increasing nature of violent crimes associated with firearms, is it not time for the minister, for the cabinet, for the government and for the Parliament of Canada to reflect what Canadians are telling us, that is to institute a zero tolerance for the misuse of firearms in this country and instruct the Minister of Justice to bring in legislation to change the Criminal Code to reflect the zero tolerance position of the country?

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## SMALL BUSINESS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, the Standing Committee on Industry has just released its report on banks and small business.

I hope the government will act on this report to make Canada an even better place to do business.

I thank all those who helped the committee produce this report and in Peterborough riding my thanks to all those who appeared

appeared before the task force on small business in Peterborough; thanks to the greater Peterborough Chamber of Commerce, local banks and all those individual business people who gave me good advice during the process. Finally, I extend my thanks to the chair and staff of the standing committee and to my colleagues on it.

Let us continue taking care of business in Canada.

* * *

## GOODS AND SERVICE TAX

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I rise today to voice my concern about GST reform. One aspect that particularly concerns me is the possible loss of GST rebate received by municipal governments.

Being a former mayor I know firsthand the benefits of the exempt status for municipalities. If GST is levied on municipalities it will place an immense financial burden on local governments and a greater burden to their taxpayers and possible higher tax rates.

Municipal governments across Canada are experiencing serious revenue shortfalls as are all other levels of government. Already local services are being threatened despite their best efforts to implement efficiencies.

I urge the Minister of Finance and the Minister of National Revenue to commit to placing no more greater tax burdens on municipal governments through the reform of the GST and to continue the rebate system that was negotiated with the previous government.

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## EMPLOYMENT

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, this week Atlantic Canadians were encouraged to pack our bags and head west to find jobs and quickly.

I have news for the hon. member for Capilano—Howe Sound. The government believes that all Canadians deserve the dignity of a job. Our position of respecting and supporting the various needs of Canada's regions has built this country. It was the farsighted immigration policy of Sir Wilfrid Laurier that helped build the west.

• (1115)

I want to remind all members that since last October there are 275,000 more jobs in the country; 26,000 of those jobs are in Atlantic Canada. This sends a strong message of hope to our region. There is hope for improving our economy.

The government is committed to Atlantic Canada. It is committed to all provinces. It is committed to Canada.



# ORAL QUESTION PERIOD

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, yesterday, when the Deputy Prime Minister was questioned in the House, she merely drew our attention to the fact that espionage activities in Canada were subject to Canadian laws. At no time was she able to confirm who was in control of the Communications Security Establishment in Canada. I may recall that the RCMP officers who planted bombs and stole Parti Quebecois membership lists were subject to Canadian laws.

Could the Prime Minister confirm that no government democratically elected in Canada, no political party, including the sovereignist movement in Quebec, was spied on by foreign intelligence services, at the request of the Government of Canada?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, all security services in Canada, which are necessary in any democracy, abide by the rules set by the Parliament of Canada.

Personally, I can confirm that I never asked them to spy on any party or politician in Canada. I am a democrat, and I do my fighting out in the open. As for the opposition parties, there are not that many problems, and I do not need spies. I will go into battle with weapons everyone can see. And we are going to win!

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, you will notice that the Prime Minister refused to confirm or deny that the Government of Canada might have asked foreign governments to spy on political parties in Canada or on democratically elected governments. He simply said he did not do so himself. That is not very reassuring.

Yesterday, the Deputy Prime Minister said in this House, and I quote:

> [—] that the activities of the CSE are totally subject to Canadian laws, including the Criminal Code, the Canadian Human Rights Act, the Privacy Act and the Charter of Rights and Freedoms, and they obey the law.

That is what she said, and I want to ask the Prime Minister whether he could explain how his Deputy Minister could be so positive about what she said, when it is clear the CSE is controlled by no one and is accountable to no one?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the line of authority is well known. The Minister of National Defence is responsible for this agency, and if there are any particular problems, the Minister of National Defence can bring the matter to the attention of the Prime Minister. That is the line of authority.

When all is said and done, the ultimate responsibility for this government always lies with the Prime Minister. What the minister was saying yesterday is that we ask all these agencies to abide by the law. There is no country that is more democratic than Canada. You are here to prove it. This is the only country where the Leader of the Opposition and his party want to destroy the country in which they live. This does not exist in any other democracy.

I can stand here and say without any hesitation that Canada is the most democratic country in the world. I ask all federal agencies to obey the law. Canada will continue to be the greatest democratic country in the world, the only country that allows the Leader of the Opposition to be someone who wants to destroy the country when his duty would normally be to serve that country.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I simply want to remind the Prime Minister there was an election campaign, the stakes were clear and we are the result of that campaign. But that is not the point.

The point is this: How can the Prime Minister expect his evasive answers on this issue to reassure Quebecers, when we know perfectly well that all illegal activities by the RCMP in Quebec, including stealing the Parti Quebecois membership lists, were subject to federal laws and took place under a Liberal government, of which he was a member?

• (1120)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the point is that there are all kinds of stories about espionage. I know an expert on the subject, Claude Morin, who may be the Parti Quebecois—

**Some hon. members:** Oh, oh.

[*English*]

**The Speaker:** I would ask colleagues to please refrain from using props in the House. It becomes a little cumbersome as we go along.

* * *

[*Translation*]

## GUN CONTROL

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, my question is for the Minister of Justice. Yesterday, in Ontario, seven people were the victims of violent crimes committed with firearms. One took place in a school and the other during a bank robbery. Such tragic events are a reminder of the urgent need to institute better control of firearms in Canada. An undertaking to this effect in the red book was reiterated by the Prime Minister at the Liberal Convention last May.

Why has the Minister of Justice still not tabled his gun control bill?

[*English*]

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the hon. member is quite right in saying that the tragic and troubling events in Toronto yesterday merely serve to remind us of the importance and the urgency of this challenge. Far from holding back proposals in this regard, the Department of Justice is busy preparing them in detail.

I returned this week from a trip to Alberta and the Northwest Territories; before that to British Columbia and Yukon; before that to the maritimes and Quebec; and before that to Ontario and the central part of the country. Everywhere I have gone I have spoken with interested groups, putting together a package of proposals that will be introduced in the House in the near future which will deal not only with illegal firearms but also with the criminal penalties for the misuse of firearms, and which will add further sensible and needed regulation to the control of firearms in private ownership. That is our proposal.

[*Translation*]

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, this government has been in power for a year now and for a year the smallest legislative measure seems to have become inexplicably complex. Everything is used as a pretext to justify the government's failure to act. This is an urgent matter. Seven people nearly lost their lives yesterday.

Will the Minister of Justice admit that the delays in tabling his bill are attributable to very strong opposition within the Liberal caucus?

[*English*]

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I will admit no such thing. The Liberal caucus, like the country as a whole, wants to discuss every aspect of the issue to make sure we get it right.

There are varying points of view. We are not embarrassed by it; we are proud of it. It reflects the diverse nature of the population. In caucus, in cabinet, we will discuss every aspect of the issue and then we will bring forward proposals that are well thought out and for which we have prepared the country through the kind of consultation in which I am personally engaged.

* * *

## HEALTH CARE

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, yesterday the Prime Minister launched a $12 million travelling medical show that will wander the country for four years. It will not report until after the next federal election. Its recommendations will gather dust on a shelf because the prov-

inces that have the constitutional responsibility in this area are not very much involved.

It is clear to us that the Prime Minister is using this forum to avoid addressing the problems of the health care system rather than addressing them.

I ask the Prime Minister: Is there not one concrete action that he can propose today to demonstrate his government's commitment to really reforming the health care system?

• (1125)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we launched a forum yesterday and we invited experts from many fields to advise us on it. In discussions with them we said they have up to four years and that everyone serving on the commission should do it voluntarily. None of them will be paid.

I told them that I would like to receive reports as soon as they cover one element so that we can act. The health care system that we have in Canada is a very good system but it is getting very expensive. We want to make sure that we maintain universal free medicare for all Canadians.

We have to do that in consultation with the provinces. It is what the Minister of Health is doing. I wanted to have people who are not representing the self-interest groups within the system to look into that. That is exactly what they will be doing.

They will report every six months or so, whenever they are ready. They will make some concrete suggestions that will help us to maintain free medicare for all Canadians, not a good system for the rich and a bad one for the poor like the Reform Party would like to do.

We want one that will serve all Canadians, enabling them to have access to hospitals free because they are citizens of Canada.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, it is talk, talk, talk. There is no concrete action at all.

Then there is the finance minister who talks and talks and consults and consults and shows charts and charts. He admits that the additional spending cuts are urgently required but he continues to defer action.

I ask the finance minister: Is there not one major new spending reduction that he could put forward today to demonstrate to the Canadian people his seriousness about reducing the deficit?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, I fail to understand the refusal of the Reform Party to understand why Canadians really do want to have some input into the budget making process.

I fail to understand why the leader of the opposition does not want to join into what is really a—

**Mr. Chrétien (Saint-Maurice):** He is not the opposition.

**Mr. Martin (LaSalle—Émard):** That is right. We could cut the opposition's research budget.

We are engaged in a unique experiment in Canadian economic history and that is opening up the budget process, getting rid of budget secrecy. Why is it that the Reform Party seems to think that only within its narrow executive is the repository of all good thinking? I do not understand.

We in the Liberal Party believe in the common sense of Canadians and we are going to tap into it.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, no concrete action.

Then there is the Solicitor General who has a lot of problems he could be fixing. CSIS and the Communications Security Establishment, two agencies that are virtually unaccountable, have been accused of basic violations of human rights.

When the Solicitor General is asked about these matters there is the standard routine: "This is a serious matter", blah, blah, blah. "We are investigating", blah, blah, blah. "I cannot comment any more", blah, blah, blah".

If his only response is that, he should not bother to get up, but can the Solicitor General tell us one concrete change that he has actually made to improve the accountability of CSIS and the Communications Security Establishment?

**The Speaker:** Usually when we start on a line of questioning, the supplementaries are in the same area. I am going to permit the question today, but I would ask all hon. members to please in their supplementaries try to tie them to the first question posed.

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, first, the security centre responds not to me but to the Minister of National Defence. Second, with respect to CSIS I have ensured that the Security Intelligence Review Committee and the Inspector General as mandated by Parliament are in fact doing their work.

• (1130)

In light of that answer I will leave the blah blah blah to the leader of the Reform Party.

[*Translation*]

## NATIONAL FORUM ON HEALTH

**Mrs. Madeleine Dalphond–Guiral (Laval Centre, BQ):** Mr. Speaker, my question is for the Prime Minister.

The Prime Minister said yesterday in the opening speech of the Canadian Forum on Health, and I quote: "Unless we take a broad view of health, we will not succeed in reducing costs".

How can the Prime Minister make such a statement, when those with health–care planning expertise and responsibility, that is, the provinces, were not invited to participate fully in the discussions at the Forum on Health?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I find this very funny because it is a panel of experts. The provinces said that they wanted to be there. So the Minister of Health told them, "Fine. How many members do you want on the panel?" They said, "Five". So we said, "Fine".

They then decided that was not what they wanted; they wanted to co–chair with the Prime Minister. Unfortunately, there are not two Prime Ministers of Canada, there is only one.

**Some hon. members:** Oh, oh.

**Mr. Chrétien (Saint–Maurice, Lib.):** Yes, and he is there for a long time, too. No problem.

**Some hon. members:** Hear, hear.

**Mr. Chrétien (Saint–Maurice, Lib.):** Then I thought that I should be a nice guy and that if a premier wanted to come or if they all wanted to attend these meetings, they would all be welcome. After arguing all summer about their attending the forum, despite very generous offers, they decided not to come. So we went right back to square one. But we listened to them and they understood in the end that these experts will make recommendations that will apply not only to us but also to them. It is their mandate.

Every day, decisions are made by health ministers, and the conference of federal and provincial health ministers will continue. Nothing has changed in that regard. We can work together but, to find a long–term solution, a review such as this one was needed. We in Canada cannot afford to lose our health insurance system because we did not take the time to plan for the future.

**Mrs. Madeleine Dalphond–Guiral (Laval Centre, BQ):** Mr. Speaker, we recognize the Prime Minister's commendable efforts but since he claims that this is not a decision making forum and that the real decisions will be made at health ministers' conferences, why does he stubbornly insist on wasting $12 million taken directly from the pockets of Canadian taxpayers?

[*English*]

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the health forum is a very useful exercise. We have to look at the problem of health care in Canada. It is now costing about 10 per cent of the GDP, the highest after the United States. We have to look at the problem because if we do not we will be facing some very difficult choices.

We have asked some experts to look at the medium and long term problems of the national health care system. They are doing just that. I can guarantee that this forum is a very good investment to guarantee that eventually we will keep a health care system in Canada that is free. There will not be one for the rich and one for the poor, but a system that gives the same rights and opportunities and the same guarantees to all citizens of Canada.

* * *

## THE ECONOMY

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, the habits of economics professors do not die easily. Recently I found myself giving the finance minister a passing grade; now I must give the Prime Minister a failing grade.

He obviously does not yet understand that smaller deficits lead to lower interest rates, more investment, higher productivity and therefore more permanent jobs in the private sector. Direct government job creation is obsolete.

Would the finance minister please share his good judgment on these matters with the Prime Minister and get him to tell Canadians about the win win benefits of spending cuts?

• (1135)

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, surely to heaven there are some questions, and not only language, that are unparliamentary.

The fact is that I am stunned and I am at a loss for words. I give up.

**Some hon. members:** Oh, oh.

**The Speaker:** Thank you, Mr. Minister of Finance. The hon. member for Capilano—Howe Sound.

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, I never expected that kind of a response, a speechless Minister of Finance.

This week a group of economists gathered in this building to present their views on the finance minister's budget initiative. A majority noted that the 3 per cent target in two years from now is not good enough. There is a high probability that by then the economy will enter the next recession. Deficits and the debt to

GDP ratio will rise again, just like they did for other governments.

When will the finance minister take account of these concerns and issue a plan for time specific spending cuts that will eliminate the deficit during the present economic prosperity?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, we have made it very clear that we are prepared to deal with time specific spending cuts. In fact that is very clearly what we did in the last budget. It is the specific reason for the 3 per cent target.

In an initial conversation with the Prime Minister as to what tactic ought to be used it was pointed out to me—and I must say thank God I can now raise this—that where the Tories went wrong was in setting out medium term targets and not hitting them. It is absolutely important that government set out and hit short term targets and that is exactly what we are going to do.

* * *

[*Translation*]

## INDIAN AFFAIRS

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, my question is for the Minister of Indian Affairs.

Today's newspapers report an agreement between the federal government and the Kahnawake Mohawks on the labour force training program. Under this agreement, the federal government would entrust the Mohawks with these responsibilities, for a more efficient allocation of these programs' financial resources.

Can the Minister of Indian Affairs tell us if the agreement in question provides for the transfer to the Mohawk community of all federal powers for employment and labour training programs?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, no, it does not. This is one of several agreements that have been negotiated over the last three or four years with various Indian bands across Canada whereby we simply transfer planning responsibility for human resources training programs that apply particularly to aboriginal people. The terms and conditions of those programs must be maintained. We do try to work out a partnership with the Indian bands so that they can have a real responsibility for determining what the priorities are.

It is very much within the spirit of the proposals we made in the green book on social reform that we want to establish a much broader range of co–operative arrangements and to decentralize many of the program responsibilities to various community organizations, provinces and others. In that way there can be a much more grassroots level of development and decision making for the important training initiatives we sponsor.

[*Translation*]

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, since the government seems to be finally realizing the obvious fact that manpower training programs are better administered by authorities who are more sensitive to people's real needs, can he tell us why these same principles were not followed by the federal government in answering the consensus in Quebec, which calls for Quebec to take back control of the whole labour field?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, it is. As the hon. member would know if he had read the green book, last June we tabled a series of propositions to all provinces that include substantial transfer of responsibilities to provincial governments.

• (1140)

[*Translation*]

The federal government is proposing to the provinces that they take over the majority of labour market programs. There is $500 million earmarked for Quebec for example, to manage the purchase of courses in training institutes—another $140 million for Quebec—to manage and establish "one–stop" information centres and manage other manpower programs bringing in $12 million to the province.

I hope, therefore, that the members from the Bloc Quebecois will ask their partners in Quebec for a response to a new proposal, a new agreement. But at this time, there has been no response from the government of Quebec to this new proposal.

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[*English*]

## ROYAL COMMISSION ON ABORIGINAL PEOPLES

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, the Royal Commission on Aboriginal Peoples set up four years ago is already substantially over budget and over deadline. Again it is extending its deadline. This $58 million exercise has obviously lost focus.

Will the minister of Indian affairs instruct this commission to quit delaying and table its report immediately?

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, we inherited two commissions when we took power. Because they are independent I think it would be inappropriate for the government to tell them to stop and give us their reports right now. We would be accused of

leaning on the commissions. We are not prepared to do that vis–à–vis the royal commission on aboriginal rights.

I would prefer the report now. I need it now. The commission has decided it needs another year. My preference is now but I am stuck with the year and I will have to live with that. We did not implement the royal commission. If I had my druthers, I would have built the thousand houses that we could have built with the $58 million, but that is what Mulroney did and that is what we have.

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, this exercise started out as a $10 million or $12 million exercise. The government has been taking excerpts from the royal commission's work and using these for policy statements, including the issue of inherent right to self–government.

Is the minister of Indian affairs the one who is really foot dragging on the release of this report because he has no better policy options to present?

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, from this member that is a surprise question. Usually I am accused of going too fast and not foot dragging. I do not understand the substance of it, but we are prepared to deal with the issues as they arise and as soon as we get them.

* * *

[*Translation*]

## CRIMINAL CODE

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, my question is for the Minister of Justice. Responding to a question recently put to her regarding acts of genital mutilation in Canada, the Deputy Prime Minister stated that the Minister of Justice would see to it that the present provisions of the Criminal Code that make the mutilation of children illegal are enforced.

Can the Minister of Justice confirm that, as we have been advised, no proceedings have been instituted thus far with respect to the practice of genital mutilation on the basis of the present provisions of the Criminal Code?

[*English*]

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I am unable to answer that factual question today. However I will be happy to inquire and let the hon. member know when I am certain of the facts.

Speaking to her point more generally I can say that in the spring when this matter was raised in the House I undertook to take several weeks to inform myself and respond to the suggestion that we need a separate provision in the Criminal Code to forbid this deplorable practice. I made those inquiries, including conversations with colleagues and other ministries that share the responsibility, particularly with provincial and territorial attorneys general. After doing that I concluded and informed the House that the better view is there are provisions in the code at present which already make it clear that this is criminal conduct. I said at the time that what we need is not only vigilant enforcement of those Criminal Code provisions but also a program of information to educate immigrants and others that this is impermissible and will be prosecuted.

• (1145)

We are continuing to monitor that. In fact, as recently as last week I asked to be briefed with respect to the present state of the practices in Canada with respect to education and enforcement.

I assure the hon. member, if I may conclude, and I will just take a moment to say it, that if the practice is continuing notwithstanding the efforts on education and enforcement of the present provisions, I do not rule out a separate section of the code if I believe it is necessary to bring this deplorable practice to an end.

[*Translation*]

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, I would have a supplementary question.

I thank the minister for his responses to my queries. However, he is merely repeating the answer he gave back on April 12, and I quote: "The focus of the federal government at this time should be on education in partnership with the provinces and community groups". He says he is monitoring, waiting, making inquiries. These are all fine words.

However, what I would like to know is: when does the minister plan to act on this issue, to take positive steps and, above all, to table a plan of action in this respect? In spite of the fact that the minister has to collect all this information, action is required immediately and urgently, and we need to know what his immediate plans are in this area, notwithstanding the inquiries and analyses.

[*English*]

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, may I first emphasize that I share the hon. member's concern and sense of urgency, but I want to emphasize that it is not a situation in which nothing is being done.

The issue gained prominence in the spring primarily by virtue of the report by Dr. Glenda Simms and the national committee which she chairs. When I inquired about it, I found that the provincial attorneys general in the provinces where this practice is an issue are hard at work with task forces, with police and enforcement efforts and they continue.

The advice I received from those active in the field was that a Criminal Code amendment was not the answer. What is needed

is to get into the communities, spread the word, gather evidence and prosecute when it is appropriate.

One of the problems is getting people to come forward to testify. That is one of the problems. I do not think a change in the Criminal Code will get at that.

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## NUCLEAR TESTING

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, my question is about nuclear tests and is for the Prime Minister who I wish well on his trip to China.

Since 1964 Britain has carried out 44 nuclear tests, France 210, and the United States over 1,000. Two weeks ago China carried out its 41st test.

Would the Prime Minister on his visit to Beijing raise with the Chinese authorities the need to set a good example to the world community and bring to an end testing for the sake of planetary security?

**Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.):** Mr. Speaker, I thank the hon. member for his question.

Canada deplores the underground nuclear test that was recently carried out in China. The Chinese ambassador in Ottawa was called in and made aware of Canada's concerns.

The Prime Minister's visit will provide an opportunity to directly register our concern about nuclear tests at the highest levels in the Chinese government. Canada hopes that China will shoulder its share of the burdens and responsibilities held by all nuclear weapons states toward the early conclusion of a comprehensive test ban treaty.

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## BOSNIA

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, a disturbing trend is developing that threatens the lives of Canadian peacekeepers in Bosnia. In the past six months Canadian troops in central Bosnia have faced confirmed attacks from the Bosnian army on 13 occasions. Most recently Warrant Officer Tom Martineau from my riding required five hours of surgery after being shot.

My question is intended for the Minister of Foreign Affairs. When will the minister obtain an explanation for these attacks from the Bosnian government and what action will he take to ensure the safety of Canadian soldiers in Bosnia?

• (1150)

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, we do not underestimate the dangers that our troops face in that theatre of conflict. We were fully cognizant of it before we renegotiated the mandate for the next six months. In fact members of the House had an opportunity to express their concerns.

We believe that a real peace effort is possible in the former Yugoslavian republic of Bosnia–Hercegovina. For that reason we have deployed our troops for the further six–month period.

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, that is not an acceptable answer to this question. We have repeatedly faced attacks from the army of the people we are trying to protect. That is not an acceptable situation.

In the period since 1991 we have provided $50 million in aid to the former Yugoslavia. Would the government agree that if these attacks do not stop we should make any further aid contributions contingent on an end to this kind of action from the Bosnia government?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, we regret the injuries and indeed the deaths of any of our Canadian soldiers. The incident to which the hon. member refers was a particularly nasty one.

It is not the government's policy nor that of the armed forces of Canada to pick sides in this conflict. We are there under the auspices of the United Nations to help with humanitarian aid to give the peace process a real chance. It is easy to assume that one particular side is guilty of an attack or another. Quite frankly sometimes we are not sure whom to believe in these cases.

It is better for us to concentrate our efforts to try to protect our soldiers the best way possible, and where we do know that an attack has come from one side or another, make a protest through the United Nations.

* * *

[*Translation*]

## IRVING WHALE

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, my question is for the Minister of the Environment. In answer to a question from the Bloc Quebecois concerning the costs related to the *Irving Whale*, the minister said that the money would come from the compensation fund set up by oil companies. However, we were told by the Parliament's Research Branch that there is absolutely no money left in that fund.

Can the minister confirm that the compensation fund is indeed empty and, if so, what alternative is she considering to finance the operations which will get underway to settle this issue?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, what I said to this House is that the money will come from Ship–source Oil Pollution Fund. The money will first come from our government. This is precisely the financing arrangement which I tabled in this House seven months ago, and I thank the hon. member for raising this issue. I am pleased to see that she is finally accepting the policy put forward by this government, conside-

ring that this is an emergency and that we must be prepared to pay. Indeed, this issue concerns the environment and ecosystem of all the residents of the Magdalen Islands and Atlantic Canada.

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, will the minister agree that Irving is the primary responsible for this accident and that this corporation, not Canadian taxpayers, must pay for the costs involved?

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the reality is that when the *Irving Whale* sunk 24 years ago, as was the practice at the time, the sunken barge was immediately signed over to become the property of the Government of Canada.

For 24 years ministers of the crown, including her current boss, did not have the guts to raise the *Irving Whale* and after—

**Some hon. members:** Oh, oh.

**The Speaker:** I am sure no one's courage is under question.

**Ms. Copps:** Mr. Speaker, they had neither the interest nor the political will even to reply to the letters from the people from the Magdalen Islands.

In three months we put together a package of financing that will see the *Irving Whale* raised next spring. Rather than criticizing us the member opposite should be applauding the initiative of a government that moved within three months.

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## FINANCIAL INSTITUTIONS

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, my question is for the Secretary of State for Financial Institutions.

• (1155)

Following the recent hearings into the demise of Confederation Life by the Senate banking committee, is the government prepared to make recommendations or bring forward legislation similar to that discussed in the presentations made by John Palmer who is the superintendent of financial institutions?

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, there will be a paper released later this year regarding the deposit insurance system and the earlier intervention in financial institutions.

We are awaiting the Senate report that will be coming out in a short time. The senators have taken considerable time and considerable interest in this subject. We are certainly going to await their report and read it with considerable interest before putting forward a paper.

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, I would remind the secretary of state that Canadians need to know that the Liberals will actually implement the proposals of John Palmer.

More specifically, will the government support John Palmer's proposal for separation of the chair of the board of directors and the chief executive officer in order to help eliminate conflict of interest and, if so, when?

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, as I said, we will be considering the whole report of the Senate committee. We will be considering all the matters that were discussed, including Mr. Palmer's suggestions, and we will bring forward a paper later this year on the subject. We hope that legislation will follow shortly thereafter.

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## CHEMICAL WEAPONS

**Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

In January 1993 Canada and over 100 countries signed an historic treaty to ban the production, stockpiling and use of all chemical weapons. Unfortunately after nearly two years only 14 countries have ratified this treaty, when 65 ratifications are required to make it enforceable.

Would the minister say when Canada will introduce ratification legislation and what Canada is doing to support the enforcement agency to be set up in the Hague?

**Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.):** Mr. Speaker, I would like to thank my colleague for raising this important item.

At the present moment an interdepartmental and industry consultation process is taking place. We expect that at the beginning of the year a required bill will be presented to the House of Commons for debate.

In the meantime, the Hague is putting in place a provisional technical secretariat before the ratification of the convention. Canada has submitted names to that. When the convention is ratified we will again present names to the organization in order to take our proper role in making sure that the convention is complied with.

* * *

[*Translation*]

## FERRIES

**Mr. Philippe Paré (Louis–Hébert, BQ):** Mr. Speaker, my question is for the Minister of Transport. Yesterday, the

Minister of Transport stated with respect to the safety hazards encountered by Canadian ferries of the same type as the *Estonia* that he would meet with the president of Marine Atlantic to make sure necessary action was being taken to improve safety. Can the minister tell us what exactly he intends to do to remedy the problem and make these ferries safer?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I thank my hon. colleague for his question because, as we all know, the safety of ferries is matter of a concern for the people of Canada.

The president of Marine Atlantic advised us yesterday that he would make a joint public statement with the Canadian Coast guard to reassure Canadians, especially as winter approaches, with its more severe conditions. This statement is expected to be made today.

* * *

[*English*]

### ROYAL CANADIAN MOUNTED POLICE

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, recently I asked the Solicitor General about the redeployment of RCMP resources to help combat the growing drug problem in Nanaimo. The mayor of Nanaimo, the head of the RCMP in B.C. and others have confirmed the need.

Now we discover that while Nanaimo goes lacking because of tight resources, 100 RCMP officers are being sent to Haiti. If we can send police to Haiti, why not to Nanaimo?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, the need for further drug investigators in Nanaimo is being reviewed by Deputy Commissioner Farrell, the head of the RCMP in British Columbia. I am advised that it is expected that he will be able to find additional resources to respond to the hon. member's concern. It is a concern that I share.

• (1200)

I repeat, I am informed that it is likely it will be possible very soon to have the additional resources placed in Nanaimo.

* * *

### SOCIAL SECURITY REFORM

**Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.):** Mr. Speaker, my question is for the Minister of Human Resources Development.

The release of the green book on social security reform has triggered much debate among Canadians. In my riding of Saskatoon—Humboldt university students are particularly interested in participating in this national review. They and members of the House would like to know what the minister has heard from other Canadians on this discussion paper as he has been travelling the country in the last 10 days?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, as a very specific answer, in the last day and a half I met with all the student leaders from the colleges and institutions in Alberta, Saskatchewan and Manitoba to discuss in particular the issues of how we can help refinance higher education, put more money back into the system and give students much broader support for the continuation of their education.

The response of the students as well as of most Canadians is to engage in a very active debate. Canadians really are ready for a change. They recognize the status quo does not really exist and that we have to reform structures. I would encourage all members of the House to engage in the same kind of dialogue we have started. I think they will find it a very creative, very exciting exercise.

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## ROUTINE PROCEEDINGS

[*English*]

### ORDER IN COUNCIL APPOINTMENTS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am pleased, to table, in both official languages, a number of order in council appointments that have been 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.

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### GOVERNMENT RESPONSE TO PETITIONS

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

* * *

### CO–OPERATIVES

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, today in my capacity as federal minister responsible for co–operatives, I wish to recognize National Co–op Week in Canada and to pay tribute to these unique, democratic institutions and organizations that play such a significant role in the socioeconomic fabric of Canada.

[*Translation*]

Furthermore October 20 is recognized worldwide as International Credit Union Day.

[*English*]

The Prime Minister in his co–op week message mentioned that co–operatives strengthen the community and the country as a whole. This is nowhere more true than in the 900 communities in which credit unions or caisse populaires are the only financial institutions providing service. In northern Canada, after government institutions, co–operatives are the largest employers.

On the national scene, roughly 40 per cent of Canadians are co–op members. In the province of Quebec as in my own province of Saskatchewan some two–thirds of the population belong to a co–operative of one form or another. All together the 10,000 Canadian co–ops provide employment for 133,000 Canadians and represent total assets of $134 billion.

This year is of particular significance to co–operatives around the world because it represents the 150th anniversary of the formation of the first consumer's co–op in Rochdale, England.

As Minister of Agriculture and Agri–food, I recognize the important role that co–ops play in the agri–food industry. It has been estimated that co–operatives account for 48 per cent of the market share for poultry, 60 per cent of the market share for milk, and 70 per cent for grains.

• (1205)

[*Translation*]

To conclude, I want to congratulate the Canadian co–operative movement on its achievements and I urge this House to pay tribute to co–operative organizations during National Credit Union Week.

**Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ):** Mr. Speaker, it is a great pleasure for me to speak on National Co–op Week.

As an anecdote, I could mention that all primary schools in Quebec have a school savings bank and I remember that one of the first things I did as an organizer was to look after the savings bank in our school. For that reason, I am especially pleased to speak on this statement.

As the Minister of Agriculture and Agri–Food, who seems to have held a similar position, said, the importance of co–operatives throughout Canada is evident. In view of the size of the co–op movement in Quebec's economy and the place it has held in Quebecers' recent history, let me point out the work this movement does and its special contribution to our society.

Co–ops played and still play a vital role in Quebec's economic development. Voluntary membership, democratic organization, training of members, redistribution of surpluses in the community and limits on return on capital are all principles that square with Quebecers' thinking and explain the development of this movement in Quebec. Furthermore, co–ops are part of the lives of Quebecers from primary school until they die—there are even funeral co–operatives.

Whether we talk about financial, farm, housing, consumer, labour or any other kind of co–op, the co–operative movement is healthy and continues to grow in Quebec. Moreover, a new generation of co–op members is assured with the rise of co–ops in the student community through "interco–operation", twinning co–ops from different fields of activity; the Société de développement coopératif in particular promotes this.

The Desjardins movement is, of course, the pride of Quebec's co–op community. Stretching across Canada and involved in international co–operation projects in many other countries, the Desjardins group manages total assets estimated at over $75 billion. Quebec's co–op movement comprises over 3,300 co–ops with more than 5.9 million members and in excess of 60,000 employees. A major success story.

The vigour of the co–op movement in Quebec is due to the strong feeling of solidarity among Quebecers. We have always stuck together to ensure our own growth, often under difficult conditions. This solidarity will soon bring Quebecers to sovereignty, which must be based on economic sovereignty. The Desjardins movement, among others, has played a significant role in this by giving us confidence in one another.

In closing, I wish to thank and congratulate all co–operators in Quebec and Canada for their volunteer work, without which the co–op movement would not be what it is today.

[*English*]

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, it is my honour to rise on behalf of the Reform Party to recognize and pay tribute to the co–operative movement in Canada.

I take this opportunity to congratulate and compliment the pioneers in the co–operative movement for having the vision and the dedication to fashion their dreams into reality.

The co–operative and credit union movement has had a very positive effect on this nation. Co–Op Vegetable Oils Limited of Altona, Manitoba, is one of the many examples of where a co–op has been a leader in its field. Not only did it help develop a vegetable cooking oil but it was also instrumental in encouraging and developing trade between the United States and Canada.

Co–ops and credit unions must be congratulated for being present to help communities develop and improve themselves. They must also be recognized as a player in our economy that

provided competition and has given people another choice, something that makes a democracy work very well.

It is with gratitude that on behalf of the Reform Party I acknowledge the accomplishments of co–ops and credit unions. We wish them well in future endeavours and encourage them to continue their innovative example of leadership.

* * *

• (1210)

[*Translation*]

## COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present to the House the 41st report of the Standing Committee on Procedure and House Affairs regarding the membership of committees.

With leave of the House, I intend to move for concurrence in this report later this day.

[*English*]

AGRICULTURE AND AGRI–FOOD

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I have the honour to present the third report of the Standing Committee on Agriculture and Agri–Food which deals with Bill C–50, an act to amend the Canadian Wheat Board Act. Bill C–50 as reported with amendments.

PROCEDURES AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I think you will find unanimous consent to dispense with the reading of the 41st report of the Standing Committee on Procedures and House Affairs.

If so, I move that the 41st report of the Standing Committee on Procedures and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

* * *

## PETITIONS

HUMAN RIGHTS

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I am pleased to present five petitions today on behalf of individuals all across Canada, including from my riding of Wild Rose and other areas of Alberta.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibitive grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, my next petition contains the same signatures from across Canada asking to prohibit assisted suicide.

ABORTION

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, the last petition, is asking to extend the protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

I respectfully submit these petitions on behalf of these signatories.

* * *

[*Translation*]

TAXATION

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, I have the pleasure of submitting a petition signed by 122 residents from the riding of Verchères and the surrounding area, particularly the municipalities of Saint–Amable and Saint–Antoine–sur–Richelieu.

The petitioners feel that, by abolishing the universality of the tax credit for seniors, the government unfairly targeted pensioners' income. They also feel that this measure is basically discriminatory from a tax point of view, since it affects people who have already made a significant contribution to the Canadian economy and will keep them from improving their standard of living over the next few years.

Consequently, the 122 petitioners urge Parliament to oppose any measure which would have the effect of reducing the income of retired people. Needless to say that I share the views of these petitioners and that I strongly support their representations.

[*English*]

PORT OF CHURCHILL

**Mr. Elijah Harper (Churchill, Lib.):** Mr. Speaker, on behalf of the Hudson Bay Route Association, I would like to present petitions containing 2,626 signatures.

• (1215)

The petitioners call on the minister responsible for the wheat board to maximize grain shipments through the port of Churchill and to ship at least 5 per cent of Canada's annual grain shipments through Churchill.

I agree with these petitioners. The port of Churchill is a valuable but underutilized resource. It is the most direct route from the prairies to salt water. We have to overcome the ignorance about this northern port so it can live up to its potential.

YOUNG OFFENDERS ACT

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I am pleased to table a petition on behalf of my constituents asking Parliament to revise the Young Offenders Act.

* * *

[*Translation*]

## QUESTION ON THE ORDER PAPER

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 75 will be answered today.

[*Text*]

Question No. 75—**Mr. Godin:**

To what do the $3.2 million in budget cuts at the Department of Veterans Affairs, announced in the 1994–95 Estimates, apply?

**Hon. Lawrence MacAulay (Secretary of State (Veterans, Lib.)):** This $3.2 million reduction was allocated to the operating budgets of all areas of Veterans Affairs except Ste–Anne's Hospital and Saskatoon Veterans Home.

[*Translation*]

**The Deputy Speaker:** The question referred to by the hon. parliamentary secretary has been answered.

**Mr. Milliken:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**The Deputy Speaker:** Shall the remaining questions be allowed to stand?

**Some hon. members:** Agreed.

**The Deputy Speaker:** I wish to inform the House that, because of the ministerial statement, Government Orders will be extended by seven minutes, pursuant to Standing Order 33(2).

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# GOVERNMENT ORDERS

[*English*]

## YUKON SURFACE RIGHTS BOARD ACT

The House resumed consideration of the motion that Bill C–55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon territory and to amend other acts in relation thereto, be read the second time and referred to a committee.

**The Deputy Speaker:** The hon. member for North Island—Powell River has 30 minutes left if he wishes to use them.

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, I will resume from where I was interrupted.

In addition to the $8.3 billion that I was speaking about there are another 460 specific native claims and lawsuits that currently have no dollar figure and do not form part of the known liabilities. Frankly no one knows what the total amount may be. That is the frightening part.

If the Minister of Finance is that concerned with the fiscal situation he might want to start a review of the policy and settlement mandate the Minister of Indian Affairs and Northern Development currently employs. It is an untenable situation warranting immediate action.

The Reform Party during debate of Bills C–33 and C–34 cautioned the Minister of Indian Affairs and Northern Development about setting these kinds of precedents for claims from a land mass perspective as well as the compensatory side and in terms of ongoing commitments. Our concerns were dismissed and it has come home to roost.

We could sit here and argue about the settlement of outstanding land claims, but there is no argument. The Reform Party supports an early and mutually satisfactory conclusion of outstanding land claim negotiations. Our argument and our opposition is because of a lack of any recognition of the cost of concluding these deals. The federal negotiators are exhibiting a blank cheque mentality. This is not only wrong; it is irresponsible. Here we are being asked to endorse this mentality.

We have heard today how the minister does not think he can order the royal commission to table its report on aboriginal peoples. The government has written additional cheques to keep this royal commission alive. Surely those who write the cheques have as strong a mandate as those on the royal commission who want to keep it alive.

Bill C–55 gives impetus to Bills C–33 and C–34, including the area of financial compensation. As well, Bill C–55 will create a process to resolve disputes between parties guaranteeing rights of access to private lands. It will also create the Yukon surface rights board which will implement the process of dispute resolution and allow orders of the board to be enforceable in court. Bill C–55 will also confirm that the legal rights of minors are unchanged.

• (1220)

I recognize that the bill is the normal progression of what was introduced and debated last spring. While House procedure and standing orders preclude me from raising the contents of Bills C–33 and C–34, it does not disallow me from reinforcing Reform Party opposition and concern over the manner in which we conclude agreements of this magnitude. It is too bad the

government did not choose to consult as extensively on Bills C–33 and C–34 as it appears to have done in this enabling legislation contained in Bill C–55.

Business, particularly the very important mining sector in Yukon, was not given the same opportunity to participate in the deliberations leading up to the introduction of the Yukon final land claim. While drafts of Bill C–55 were circulated to the mining community and groups representing them, at no time was the same courtesy extended on Bills C–33 and C–34.

I have had individuals in Yukon tell me they were caught unaware of the previous provisions of the federal government Council of Yukon Indians agreement that they are paid to know about until it was signed.

In view of some of those preliminary comments it behoves me to turn to some concerns the Reform Party has with Bill C–55. Let me assure the House that my party's contribution to the debate will not be obstructionist. However I would be remiss if I did not offer some constructive criticism of some clauses of Bill C–55 and my colleagues will add other comments.

Part I of the bill establishes a process to resolve disputes between parties concerning surface rights and access to subsurface rights. More specifically clause 8 establishes a board to be called the Yukon surface rights board consisting of a chairperson and not less than two or more than ten other members to be appointed by the Minister of Indian Affairs and Northern Development. Half the members other than the chairperson should be appointed on the nomination of the Council of Yukon Indians.

Part I is really the essence of the bill. Part I and the manner and type of appointments that are made will make or break the credibility of the board and hence the bill. The minister has enormous power in the appointment of members. While five members are to be nominated as potential candidates to the board by the Council of Yukon Indians the minister is omnipotent. With this power can come the tendency to politicize the board.

The greatest fear industry has in Yukon is that the minister will be tempted to place some good old Liberals on the board to ensure things go the right way or his way. I implore the minister to exercise a non–partisan approach in his decision making on board appointments.

I have some concerns that I expressed earlier in the House. I give the example of Michel Robert who was the Liberal appointed this spring with a non–tendered $249,000 contract to negotiate at Oka for the Minister of Indian Affairs and Northern Development. Mr. Robert is also the appointee to SIRC, the so–called watchdog for CSIS.

• (1225)

The board will decide which dispute can be brought before it only after the parties attempt to resolve the issues themselves. It is contingent on the success of this clause that board members exercise good judgment and possess a real sense of responsibility.

Otherwise we could have obvious favouritism on spurious or vexatious issues brought before the board that will consume not only valuable time but valuable resources in the form of per diems that will be paid board members, in the case of the chairperson $300 per day and $250 per day for members.

This could become costly if we have board members or a chair who is looking for something to do. In short, the board cannot become a hotbed for patronage appointments. Before we know it we could have Joe Clark appointed to another chairmanship.

At our departmental briefing, Reform Party MPs were told that no staff shall be appointed to the board. Clause 19 of Bill C–55 clearly allows the board to employ such officers and employees and engage the services of such agents, advisers, and consultants as are necessary for the proper conduct of its business and may fix the terms and conditions of their employment or engagement and pay their remuneration.

What we were told in our briefing runs contrary to not only clause 19 from which I just quoted but also clauses 20 and 21 which grab further latitude for the board to acquire personal property in the name of the board and enter into contracts in the name of the board. Just what is the budget allotted to the board beyond per diems for members and why were we given misinformation in our briefing?

The board will be empowered to set the amount of compensation for expropriation of settlement lands and the amount of compensation for pockets of government land retained within settlement lands.

The board's orders will be final and binding, enforceable through the Supreme Court of the Yukon territory. This is awesome power beyond reproach and I can only hope we know what we are doing and start right by appointing on merit not politics.

Part II of the bill deals with rights of access on settlement lands. The terms and conditions for the board's operation are clear in this area. The mining industry in Yukon appears confident that part II is drafted in such a way as to avoid interpretive problems. However, part III, mineral rights disputes on non–settlement lands, is ill–defined and therefore troublesome. The jurisdiction and powers are ambiguous in clauses 65 and 66 which constitute part III. What is of major concern with these clauses is that 50 per cent of the board be designated by the Council of Yukon Indians as specified in part I.

Therefore what we have is a 50 per cent aboriginally designated commission having jurisdiction in matters related to non–settlement lands. I can foresee the possibility of nothing but turf wars as a result and a counterproductive exercise based on race and cultural interpretation. Perhaps it is not wise to have the majority Yukon residency requirement on the board and the

50 per cent nominations list from the Council of Yukon Indians. Perhaps we are creating unnecessary racial strife.

• (1230)

At the outset of my remarks I said that Bill C–55 may confirm the principles contained in Bills C–33 and C–34 and put them into effect. However in no way does it end dispute or in itself resolve conflicts that may arise.

Bill C–55 may conclude the land claims process but it opens a new vista with many new problems requiring many new solutions. I realize the veil of uncertainty that has stifled investment in Yukon must be removed. Industry in Yukon has expressed a desire to put this issue and uncertainty behind it. The Reform Party appreciates this need for clarification and stability in land claims. Now at least industry in Yukon knows the rules but that does not say it or the Reform Party has to like those rules.

The Reform Party is on the record as supporting the early and mutually satisfactory conclusion of outstanding land claims. In the Reform Party's opposition to the process of establishing the land claim settlement as contained in Bills C–33 and C–34, we feel we articulated our vision and pointed out the deficiencies in the legislation.

In good conscience we cannot support holus–bolus all facets of Bill C–55, particularly the jurisdiction of the board on non–settlement lands. We will not impede economic development in Yukon and the enunciation of the rules that will dictate this development.

**Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):**

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

I am happy to rise to address the issue of Bill C–55, the Yukon Surface Rights Board Act. I must say I was going to oblige the member for Capilano—Howe Sound by wearing my Bermuda shorts and dark glasses, however the dress code of this House does not permit me to do so in talking to the bill.

I do have a comment to make on the speech of the member for North Island—Powell River. He mentioned the participation of the Yukon Indians as being over 50 per cent on the board and talked about some racial problems that might arise. This seems like a judgment even before the board is off and running. There is no confidence in the Council for Yukon Indians being able to make up its mind and determine who is going to be on the board and what kind of board it is going to be. If we had a little more trust in our aboriginal organizations, this country would be a lot better off.

I want to join the Minister of Indian Affairs and Northern Development in urging support for this legislation. I believe the House has an obligation to move as quickly as possible on Bill C–55 so that residents of Yukon can begin to benefit from the certainty and the confidence that land claims settlement will bring to the territory.

After more than 21 years of negotiations, we finally reached a framework agreement to settle the land claims of the 14 Yukon First Nations. The establishment of a new surface rights regime which will be accomplished through Bill C–55 is the next critical step in implementing the agreement.

This is a pivotal day for Yukon. Yukon residents expect us to proceed responsibly and without further delay. They want us to address our moral and legal obligations to the First Nations people.

• (1235)

As the minister has stated we have already adopted legislation to put in place a territory wide framework for First Nations land claims settlement agreements and to implement self–government for the Yukon First Nations. We have before us today the final piece of legislation that will allow the finalization of these acts.

Bill C–55 is significantly different from the two acts we approved before the summer recess. The bill deals with very specific matters and is extremely technical. I can assure members that Bill C–55 has been drafted with the interests of all Yukoners in mind. It is fully in keeping with the Government of Canada's obligation under the umbrella final agreement negotiated by governments and Yukon First Nations.

Bill C–55 provides for the establishment of the Yukon surface rights board and a new surface rights regime that reflects the changing realities of land ownership in Yukon. I know some hon. members on the other side of the House have been expressing concern about the role and the powers of the board.

The role of the Yukon surface rights board is straight forward. It will deal with disputes relating to land access, use and compensation throughout the territory. However the board's services will be called upon only when direct negotiations between the affected parties have failed. There will be more certainty for everyone in Yukon when the bill is enacted and we begin to implement First Nations final agreements.

Bill C–55 will put in place a new regime for obtaining access to private and public lands that will put it on a level playing field with other Canadian jurisdictions. It provides for clear rules and regulations.

This is not a scheme that has been pulled out of a hat. This approach to dispute resolution has been applied elsewhere in Canada and is working well. In fact the Yukon surface rights board has been modelled on similar boards that are currently operating in Alberta, Saskatchewan, B.C. and Manitoba. The

provincial boards were established to address disputes between surface owners who were generally farmers and subsurface developers such as oil and mining firms.

In Yukon we anticipate that when disputes do arise they will primarily involve mining companies that hold mineral rights on non–settlement lands where others have surface rights or interest on land owned by First Nations, similar to the situations in Alberta and Saskatchewan. The same basic principles of reasonable access, responsible use and fair compensation can and will apply to resolving disputes in Yukon.

Once the Yukon surface rights board is formed the government intends to take its members to Alberta, Saskatchewan, British Columbia and Manitoba where they will observe the provincial boards in action. The government may also invite a senior official from the provincial boards to Yukon to provide training or other assistance.

As the minister has noted this is a cost effective alternative to using the courts to resolve disputes. It will encourage mining and petroleum companies as well as governments to work in partnership with First Nations and other land users so that all parties can benefit.

The board will not even hear a dispute unless it is convinced that a serious effort has been made by the parties to come to an agreement. In addition to reducing costs for all parties, the provincial boards have enabled quicker resolution of disputes than would be possible through the courts. This in turn has helped prevent lengthy and costly delays in resource development.

I think the minister would agree that the Government of Canada, Yukon First Nations, the mining and petroleum industries and the territorial government would be happy if the surface rights board never met, in other words if there never were any disputes to resolve. However this is not a utopian world and we cannot sit back and hope that everything will work itself out. We cannot expect that there will never be a disagreement between two parties, both of whom may have reasonable and legitimate concerns.

In the interests of good public government we must be prepared to deal with issues as they arise. This is why it is important to proceed now to create a surface rights dispute resolution mechanism in the Yukon.

I am extremely confident the surface rights board that will be put into place by Bill C–55 will be an effective institution of public government. It will operate in a fair and responsible manner to ensure that economic development proceeds in Yukon in accordance with the letter and the spirit of the umbrella final agreement. It will also protect existing rights including mineral rights of third parties in the settlement area.

• (1240)

Let me remind hon. members that Yukon First Nations have never resisted development. Rather, they have said only that they want a voice in how resource development will proceed. As land owners they will have that voice. Guaranteeing 50 per cent of the board's members will be nominated by First Nations ensures that First Nations and other Yukoners will have input into the important decisions that need to be made.

In addition, third party rights or interests on non–settlement lands are recognized in the bill and the umbrella final agreement. The need for this board was clearly identified in the umbrella final agreement. It simply replaces the government officials or courts now identified in the mining legislation as the dispute resolution body.

Let me assure the House that the Yukon surface rights board will be created in a manner that is financially responsible as well as responsive to the needs of the people of Yukon and Canada. Obviously costs are involved in setting up new institutions of government, but through careful planning and management these costs can be controlled. The Yukon surface rights board will be kept as small as possible. Staffing will be kept to a minimum and proceedings will be expeditious.

Bill C–55 will achieve some very specific goals, but it is important for the House to consider the broader implications of this proposed legislation. Most fundamentally we must understand that without Bill C–55 the settlement of land claims in Yukon cannot be concluded.

Once again our efforts to address the rightful claims of Yukon First Nations will be stalled. Another generation of Yukon Indians will face the prospect of starting anew to negotiate an agreement that all parties have already accepted. Vital economic development opportunities will be lost. We cannot and must not allow that to happen. The Government of Canada made certain commitments in the umbrella final agreement in 1993, including the commitment to create a surface rights board and we must live up to those obligations.

I would like to remind my hon. colleagues of the debate that took place in the House some four months ago. That debate determined conclusively that the umbrella final agreement is a solid agreement that will benefit all residents of Yukon. By providing a secure land base, settlement agreements will empower Yukon First Nations to build a better future. The territorial government and all Yukoners will benefit from increased economic activity and from the strengthened political development of the territory.

In addition to confirming ownership of vast areas of land, Yukon First Nations will be entitled to significant financial compensation. This compensation package is essential to the future prosperity of Yukon First Nations. It will give them the financial resources to create jobs within their communities, to

deliver social services and to generally establish a better standard of living for Yukon Indians. These achievements will benefit all Yukoners and all Canadians.

All of us can appreciate that much more is at stake here than a new surface rights regime. At stake here is the economic growth of Yukon as well as its political and administrative development. Also at stake is the spirit of partnership, trust and mutual accomplishment that government is working hard to establish with First Nations in Yukon and elsewhere. The very future of Yukon First Nations is at stake. They have already waited far too long to have their voices heard and their concerns addressed.

With that in mind, I urge hon. members to look beyond the legal and technical complexities of the bill, as important as they are. I urge them to embrace a broader viewpoint to acknowledge that the Yukon surface rights board is vital to the land claims settlement process. I remind them that land claims settlements are something all Yukon residents and Canadians want and expect us to achieve.

This is the time to move forward to lay the foundation for a better future for all people in Yukon. Toward that end I urge my hon. colleagues to join me in supporting Bill C–55 so that it can proceed as quickly as possible to the other place. This is the only responsible course of action to ensure that implementation of the Yukon First Nations final and self–government agreements can proceed without further delay.

• (1245)

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, in the opening comments by the member who just spoke there were some statements regarding the Reform's concerns about the ability of the Council of Yukon Indians to designate its representatives to this board.

On the contrary, we have no concerns about its ability to designate representatives. Our concern, as expressed in my speech, related to and focused on the minister's ability to make this into a hot bed of patronage and to set up a divisiveness and other turf wars that are of major concern to us.

I wanted to set the record straight on that and ensure there was nothing on the record that would indicate we agreed in any way with those statements.

**Mr. Anawak:** Mr. Speaker, I heard quite clearly the hon. member saying that because of the 50 per cent participation of the Council for Yukon Indians on the surface rights bill there might be a place for some leaning in a racial way. That is why I made those comments. To me that was undermining the council's ability to look at problems it might encounter through the surface rights bill in looking after the interests of all Yukoners.

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Mr. Speaker, I listened to the member's speech and the answer to my colleague's question.

We are after the 10 best people from Yukon to address these matters. It is in no way to be implied that it is a racial question that we are bringing up here. I would like the hon. member on the other side to understand that.

**Mr. Anawak:** Mr. Speaker, I suspect if we look at the blues there will be comments in there that clearly state the word racial. That is why I made the comment that this was uncalled for.

Yes, we are looking for the 10 best people or the best people the Council of Yukon Indians can offer to settle its disputes. I would be honoured if all members of the surface rights board were Indians from the Yukon area. They probably could do a better job than anybody else in the country in settling disputes that will arise.

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Mr. Speaker, it gives me no pleasure to rise in the House today to oppose Bill C–55.

The bill is the handmaiden of Bills C–33 and C–34, two pieces of legislation debated before the summer recess and passed despite the serious objections of many well–informed Canadians, including the opposition of the Reform caucus.

I am told that Bills C–33 and C–34 cannot take effect until we pass Bill C–55. I would like to be able to support all three pieces of legislation because I support the progress of native Canadians toward taking full responsibility for themselves and for their future. Unfortunately a number of concerns with this bill prevent my supporting it.

However, I wish to mention some positive aspects. First, given transportation problems in the north for so much of the year, I applaud the bill's provision that board members can attend their meetings by telephone.

Second, I was also pleased to see that this board can only intervene on matters brought to it by others and cannot just insert itself willy–nilly into negotiations which the parties are settling on their own.

Third, because delay of rulings can cause real hardship, especially due to the very short work seasons for mineral exploration and development north of 60, I was especially pleased to read section 27 which states:

> An application before the board shall be dealt with as informally and expeditiously as the circumstances and considerations of fairness permit.

• (1250)

Fourth, faced with the probable administration nightmare generated by Bills C–33 and C–34, at least the Department of Indian Affairs and Northern Development consulted widely and publicly among the many affected groups and general public of Yukon as to how the expected conflicts of interest ought best to be resolved through new legislation in Bill C–55.

It is my understanding that 16 months ago some 11 interest groups were sent draft copies of the proposed legislation including the Yukon Chamber of Mines, the Klondike Placer Miners Association, the Canadian Association of Petroleum Producers and two groups representing Yukon trappers and outfitters. Coupled with advertising in area newspapers, the government apparently has made a sincere effort to bring all parties immediately concerned into the discussions, a praiseworthy method of proceeding.

However, I also believe it is my responsibility in opposition to point out the shortcomings of these pieces of legislation and my firm belief that no native group should be granted self–government rights greater than those of municipal type governments. The very amount of land to be covered by Bill C–55 together with certain riches of natural resources involved makes the subject far too large for municipal type administration

It is my hope that the Department of Indian Affairs and Northern Development will listen and improve the process of dealing with what will be among the most long lasting and consequential actions of Canadian federal government for all time. I say for all time because these land claim settlements and dispute settling mechanisms will no doubt set precedent for the entire process of settling native land claims still outstanding, especially in the province of British Columbia.

In addition, they obligate Canadian taxpayers far into the future. This latest piece of legislation, Bill C–55, if we include all the lists and guides needed to find particular topics, requires some 64 pages to sort out the mess created when the government decided to hand over jurisdiction for many thousands of square miles of Yukon territory to be administered by the so–called First Nations.

I have great admiration as well as sympathy for Canada's native peoples. Moreover, as our native people demonstrated the readiness to take over the running of their own affairs, I strongly support dismantling the Department of Indian Affairs and Northern Development and handing those rights over to the natives themselves.

Because I believe in full equity among all Canadians with special status for none, I also believe we must take great care to ensure that Canada does not create by this kind of legislation the very sorts of racial homelands and racial biases for different treatment of our people, which the government and people of South Africa have been struggling for generations to root out of their country.

Therefore, I also believe that any further federal responsibility that in any way differs from the way the federal government deals with each and every other Canadian should also stop, cease and desist at that point, when by passing legislation like Bill C–55 we hand over the running of native affairs to natives themselves in a reasonable and efficient manner.

However, these three pieces of legislation go far beyond anything I can call reasonable and efficient. The legislation also maintains special federal responsibilities to Yukon First Nations, including large cash grants and creating separate living areas and entitlements based solely upon race.

At the same time, the legislation package gives virtually all the rights and responsibilities of a full fledged modern nation to these groups whose total population is approximately 7,300 divided into 14 bands and scattered across some of the least populated land remaining on our planet.

Even Canada's smallest cities have populations larger than the total population of these groups, which are now to be considered nations. Nor can it be any secret to any citizen concerned about public affairs in their own municipal governments that cities like Vernon and Salmon Arm in my own riding of Okanagan—Shuswap often are hard pressed to provide the personnel and pay for the services their residents require.

• (1255 )

It is more than ridiculous; it borders on the tragic to heap so much responsibility upon so few. The only thing making it possible is the ongoing financial support of all Canadian taxpayers; support for an inefficient administrative rat's nest, here boxed and wrapped as Bill C–55.

Bill C–55 creates a group to resolve land use conflicts certain to arise because of this government's decision to transfer responsibility for all "use, management, administration, control and protection" of some 16,000 square miles of land equal to about 75 per cent of the province of Nova Scotia to those 7,300 Yukon natives.

Included are natural resources, businesses, professional and trade licensing, responsibility for all construction, zoning and land development, sanitation and planning, operation and use of vehicles, prevention of pollution and protection of the extremely sensitive Yukon environment.

We all know that the Liberal government likes to brag about the number of jobs that Canadian citizens and entrepreneurs have managed to create in the year since the 1993 election despite federal government overregulation, mismanagement and overtaxation.

There can be no doubt that some of those jobs have been directly created by government. It seems apparent that native land claim settlements will become a big player in the job creation scenario because there will be administrative jobs for anybody who is not busy testifying about the many disputes likely to arise from changing the status of this parcel of land equal as I mentioned above to about three–quarters the size of the province of Nova Scotia, land now being divided into category A settlement land, category B settlement land or fee simple settlement land.

The major purpose of Bill C–55 is to create some group that would have the authority and resources to settle the many disputes springing to life when miners, trappers, big game guides and many ordinary Canadians suddenly realize that areas where they may have thought themselves previously legally entitled to earn their living now have been handed over from either federal or territorial jurisdiction to control by the First Nations.

That dispute settling body is to be called the Yukon surface rights board consisting of a chairman and from two to ten other members, a majority resident in the Yukon Territory, with half the members appointed on the nomination by the Council of Yukon Indians.

I note that neither being a member of the Yukon First Nations or having an interest in their land shall be considered as grounds for disqualification. I have some concerns that this Yukon surface rights board may become a nesting site for that well known political species, the patronage appointed bird.

I believe it is important in all government groups to avoid even the appearance of conflict of interest, and so I hope that all concerned will take special care on that point.

Beginning on page 33 of the legislation, this act deals with mineral rights disputes on non–settlement lands. I must question the logic of this legislation doing so many things on the basis of race only but then granting authority over non–native lands to a board half composed of natives.

Additionally, because there are so many different pieces of legislation involved, namely the Canadian Oil and Gas Operations Act, the Yukon Placer Mining Act and the Yukon Quartz Mining Act, it seems that the Yukon surface rights board will have to develop some fairly sophisticated methods of weighing the various claims because virtually nothing is spelled out in Bill C–55.

What principles should the board apply to settle disputes? Is time of filing important? How long must a person have filed a mineral claim for natives to recognize it? What amounts of royalties will bands be allowed to request from proposed developers of mining property? What environmental protection bonds will be required? What percentage of band funds can be devoted to develop a mine that may employ natives?

I am sure that all of us hope that the Yukon chiefs and band councils are going to be fully responsible to their local band members in a democratic fashion. Where is the board's responsibility to either native or non–native people spelled out? Bill C–55 does require the board to make an annual report but it does not state in cases of conflicts of the best interests of natives with the best interests of non–natives whose interests should prevail. Can we today not envision such disputes lasting for many years?

• (1300)

Finally, I was somewhat surprised to see that this board has been given discretion regarding awarding any and all costs of hearings they undertake. It is all well and good to direct that the hearings shall be conducted on the native lands wherever possible and also that the hearings should be dealt with as quickly and as informally as possible.

Nevertheless, I believe past experience should warn us that hearings involving serious conflicts of interest with native land claims have been known to drag on for many years to the delight of lawyers and other hangers on of the Indian establishment. The legislation proposes no limits, for example, on the number of legal advisers or other so–called experts which either side to a dispute might wish to summon. To that extent I am afraid that we are once again committing taxpayers to sign and pay for a blank cheque.

Some people are saying that the majority of disputes will arise and be settled shortly after Bills C–33 and C–34 come into effect. However, as population increases and resources become scarce during the next century on this planet, I believe that the people of Canada and the Yukon First Nations may well see themselves tied up in virtually endless administrative wrangling over surface rights in Canada's north.

I sincerely hope that Bill C–55 provides an adequate framework for the settlement of such disputes. However I see no clear evidence to make me reasonably certain that peace, order and good government for all people of Canada, including other provinces and future generations, will be well served by passing Bill C–55. Therefore, I ask the House to support me in opposing it.

**Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, I wonder if I might ask the hon. member a question. The term native was mentioned in the debate a lot during the speech of the hon. member.

I wonder if the hon. member might elaborate a bit on how he feels about the way aboriginal people in Yukon have been treated over the last number of years and whether he agrees that the aboriginal people, the Council of Yukon Indians, and other aboriginal groups deserve some recognition because of the fact that they were here for quite some time before the arrival of the rest of the Yukon population.

**Mr. Stinson:** Mr. Speaker, I thank the hon. member for his comments. First I am sorry that the member is upset about the word native being used so many times. I use that term about myself and about my colleagues, that we are all native Canadians. I use that word a number of times in conversation with anybody in the country. We are native Canadians. I can under-

stand the member's concern because of the misconception of that.

I agree that over the last years the native population in Yukon has not been treated that well by white people. This has been an injustice. We have to be careful that we do not try to cure this by another injustice. We have to do it properly at this time. Now is the time when we have a chance to do things that will be set in motion for centuries to come hopefully.

Our concern and my concern is that we must do it properly the first time around so that we can go forward and not have to keep going to court or run into the similar problems we have today 100 years or 200 years down the road.

Our obligation in the House is to the Canadian people and the future of Canada as a whole. Let us try to do it properly this time, not like we have done it for years. I hope that answers the member's question.

• (1305)

**Mr. Elijah Harper (Churchill, Lib.):** Mr. Speaker, I want to address the House on Bill C–55, the Yukon Surface Rights Board Act.

I would like first to make some general comments regarding how this legislation came about. We had two previous bills dealing with the Yukon land settlement, the land claims and the self–government issue. I was somewhat perturbed as to the lack of understanding by the member who just spoke in terms of the relationship that the First Nations have in the country. I think oftentimes such ignorance misleads the general public. I do not blame the member. I think it is just a lack of knowledge and lack of awareness of that information.

I have always said that the first order of business in this country should be with the first peoples, the First Nations, in Canada. After all it is the First Nations that were here to welcome many of the newcomers who are here in this country, including members who are sitting in this House.

It is through the generosity of the First Nations people that many Canadians have benefited from the lands and resources in this country. In many parts of Canada there are still outstanding claims that have to be settled with First Nations.

In my area in Manitoba we have treaties that were signed a long time ago and in parts of B.C., the territories and Yukon treaties were never entered into. As a matter of fact this land claim settlement that we have just made I think is the conclusion of the outstanding business that needed to be settled with First Nations people in Canada. It is a modern day treaty that provides the wherewithal for First Nations to be self–sufficient and self–governing.

As the member has stated, Canadians need to be aware of what commitments the federal government is making to First Nations. We need to look at what promises have been made by First Nations to this country. They have through treaties shared the land and resources with the rest of the people in this country.

The question is not asked by First Nations: "What are we committing ourselves to, to other people?" There is no hesitation at all to bind our future generations so that we can share our land and resources with the newcomers. As a matter of fact this commitment and these promises are forever. The treaties state as long as the sun shines and the grass grows and the river flows that is our commitment. We expect governments to reciprocate that kind of understanding to our people.

• (1310)

As the member asked, what is the government promising to First Nations in the country? We have waited well over 100 years to address these issues. We have First Nations in Yukon who have waited a long time to settle these outstanding claims.

All these years governments have reaped the resources from Yukon. Canadians have benefited from those resources but across the country today the First Nations people still lack basic human needs such as housing which many Canadian people take for granted.

As a First Nations member I have been involved in this process for a long time, trying to educate the general public about these issues as to how generous we have been as First Nations people. That is a kind of understanding that I hope hon. members across will understand, that somehow in settling this land claim we are depriving ordinary Canadians. That is not so.

If the government were to look at the past 100 years in terms of the lands and resources that it has had and how much revenue it has obtained from these lands and resources that First Nations shared in the country, it would see that it runs into billions of dollars. If the First Nations people would even obtain a small percentage of the revenues generated from the lands and resources alone there would not be any government handouts. Oftentimes First Nations people come to governments to seek help. Oftentimes it is humiliating because it appears we are beggars and are seeking handouts.

The truth of the matter is that the aboriginal people, the First Nations people, have given much already and have had very little in return. It is time that governments honoured their obligations to First Nations people in this country. We are not asking for anything more or anything for less. We are just asking governments to live up to their promises.

• (1315)

Another question I want to address is the hon. member's notion of self–government. The hon. member said that self–government should not be more than a municipality. That is another lack of understanding the hon. member has. In the country it was

the Queen and her officials, the sovereign country of England, who entered into treaties with First Nations in the country. Therefore, we have a nation entering into an agreement with a group of people in the country and it certainly was not a municipality. It was the First Nations.

The notion of a treaty making process is a right that the aboriginal people, the First Nation people, have had for thousands of years. A treaty making process only validates and recognizes that the First Nations have been self–governing for a very long time. That is something that needs to be understood by Canadians and by governments in the country.

We have a special and unique relationship with Canada. I do not mean that we are special in a way that we are better off than other people. No other group of people in the country has that kind of relationship with governments except the First Nations.

By signing treaties we were entering agreements with another government and did things we understood. We have been very accommodating to other governments and Canadians. It is time we begin to reap from the land the resources that we once had control over.

I am extremely pleased to speak in support of the legislation that deserves the backing of hon. members from both sides of the House. The people of Yukon are nearly unanimous in expressing the view that it is time to move forward with the settlement on the Yukon Indians land claim. Bill C–55 is the final building block in the legislative foundation.

Hon. members are well aware that the Yukon Indians' umbrella final agreement was 21 years in the making. People who were not even born when the negotiations began now have families of their own. With Parliament's endorsement of Bill C–55, the benefits of the agreement, including money, can begin to flow to these families.

The claim agreement will do nothing less than ensure an equitable and prosperous future for Yukon Indian children and youth. It will also recognize First Nation seniors for their perseverance, patience and guidance, as well as compensate them for many years of hardship.

It will give Yukon Indians of all ages a chance for a new beginning, a new partnership with governments in the management of Yukon lands and resources.

Hon. members are also aware that the umbrella final agreement was ratified by all the affected parties: the federal and territorial governments, Yukon First Nations, business interests and non–aboriginal residents of Yukon.

It is supported by the stakeholders because of the certainty of land ownership and the rights it will bring to Yukon. This certainty is essential if mineral and energy development projects are to go forward, creating jobs, income and business opportunities for all residents of Yukon.

• (1320)

We must acknowledge and respond to this support by moving Bill C–55 through this House as quickly as possible. To do otherwise would be reckless and irresponsible and would damage the crown's credibility among First Nations, northerners and all Canadians.

The legislation before us today will establish a new surface rights regime and a surface rights board for Yukon. The creation of the board was a key element of the umbrella final agreement and is, therefore, a legitimate commitment by the Government of Canada to all residents of Yukon.

If there is one thing that stands out about the bill it is the extent of the consultative process that has been proceeded with since its introduction to the House. Both the general public and affected interest groups in Yukon were widely consulted last year by federal officials when guidelines for Bill C–55 were being developed.

They were also consulted on a number of occasions on the wording and contents of the bill. Several groups from the mining industry participated in the legislative drafting process, including the Yukon Chamber of Mines, the Klondike Placer Miners Association, the Prospectors and Developers Association of Canada and the Mining Association of Canada.

The interests of the petroleum industry, which also has an important stake in the issue of surface rights, were well represented by the Canadian Association of Petroleum Producers. The Yukon Territorial Government also provided input as did the Council for Yukon Indians, various Yukon First Nations and the Gwitch'in Tribal Council.

Public input was solicited by sending drafting guidelines to major interest groups, including the Yukon Trappers Association, the Yukon Outfitters Association. An advertisement was also placed in Yukon newspapers announcing the availability of guidelines for review by the public.

Consultation on a first draft of the legislation began 15 months ago in June, 1993 when a draft bill was sent to all interest groups. Later that month a meeting was held with these groups in Whitehorse. Subsequent parts of the bill were distributed to groups in October and February. This was followed by additional meetings with the Council for Yukon Indians and the territorial governments in Vancouver in March and with other interest groups in Whitehorse in April.

Based on the output received at these meetings and through other channels, another part of the bill was produced and distributed this past June. Further meetings were held with different stakeholders in July, August and September, leading to more changes to the bill.

My intention here is not to provide details of every meeting that has been held on Bill C–55, but it is important for the House to recognize that the government has made an extraordinary effort to hear the concerns of stakeholders who will be affected by the creation of a new surface rights regime in Yukon.

Most concerns were met but some compromises were necessary. The bill that has been introduced is consistent with the provisions of the land claims agreement and is in the best interests of all Yukon residents in the interests of open, accessible and responsive public government.

Hon. members would be hard pressed to find any stakeholder group in Yukon that opposes the basic principles that underlie this bill. The different groups may not agree with how every *i* has been dotted and every *t* crossed, but they do agree on the need for a territorially based surface rights board that will oversee a stable, fair and responsible regime.

It is my belief that we must seize this opportunity to put this new regime in place. As I stated earlier, further delay at this time is not only unnecessary but will jeopardize the implementation of the final agreements of Yukon First Nations.

I might remind hon. members that such agreements have been already reached with four Yukon First Nations: The Vuntut Gwitch'in First Nation, the First Nation of—

• (1325)

**The Deputy Speaker:** The hon member's time has expired. I wonder if there might be unanimous consent to give him a moment or two more to finish.

**Some hon. members:** Agreed.

**Mr. Harper (Churchill):** Mr. Speaker, I will read my prepared statement which is about four more pages. I will try to read fast.

I would remind hon. members that such agreements have been reached with four Yukon First Nations, the Vuntut Gwit'chin First Nation, the First Nation of Nacho Nyak Dun, Champagne and Aishihik First Nations and Teslin Tlingits Council. Progress in the negotiations for final agreements with the remaining 10 First Nations are awaiting passage and proclamation of the bill and the coming into force of the Yukon First Nations land claims and self–government acts which members passed last June.

One of the primary objectives of land claim agreements is to bring about certainty of land and resource ownership. This is being achieved in Yukon and it will result in many economic and social benefits to both aboriginal and non–aboriginal residents of Yukon.

Hand in hand with this certainty of ownership comes the need for a known regime for obtaining access to private and public lands. This regime must be responsible and fair to all residents of Yukon and it must put Yukon resource industries on a level playing field with other Canadian jurisdictions.

I am very confident that Bill C–55 will establish such a regime in Yukon. It will establish a common set of rules throughout the territory. It will ensure that all stakeholders have representation on the surface rights board which will hear disputes between surface rights holders and those who want access to the subsurface resources.

It will keep these disputes out of the courts. As my colleagues have already indicated, the proposed Yukon surface rights board will be a cost effective dispute resolution mechanism compared with litigation.

The surface rights board will be an extremely important body in Yukon. It will guarantee that mining companies and others will be able to exercise their legitimate rights of access to holdings of private land as well as crown land. This will ensure that resource development projects will go ahead after many years of delay and frustration.

The board will also ensure that compensation for the use of these lands is fair and reasonable. This is particularly important for First Nations which will own the surface rights of large tracts of land for which subsurface rights have already been granted.

In addition, the surface rights board will be mandated to uphold all existing rights of access across settlement lands for the public and government.

This is on the condition that the use of these rights does not significantly alter the route. Otherwise the consent of the affected First Nations will be required. Consent will also be required for new access routes across settlement lands.

There are many reasons why the House should support Bill C–55 but in weighing all the reasons my colleagues and I have outlined today, we should not forget that most fundamentally we will be fulfilling a commitment made by the Government of Canada to Yukon First Nations and to all Yukon residents.

That commitment was to settle the Yukon First Nations land claims based on the umbrella final agreement and the creation of this board is an integral part of that process.

The government's commitment to settle outstanding land claims was clearly stated in the red book and it is a pledge we intend to act upon at every opportunity.

We have made some excellent progress and established strong momentum over the past year. Most recently, we endorsed the final agreement of the Sahtu, Dene and Metis of the Mackenzie Valley. Negotiations are proceeding well on a number of other claims.

By addressing land claims in a fair and responsible manner, the government will resolve long standing disputes with First Nations and contribute to a healing process between aboriginal and non–aboriginal people.

I would urge my hon. friends to participate actively in this healing process by supporting Bill C–55 at second reading.

• (1330)

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, the hon. member for Churchill spoke at some length on matters not directly covered by Bill C–55. In his remarks he referred to the lack of understanding of we on this side of the House. Perhaps the problem is that we understand only too well what is going on.

The hon. member speaks of the generosity with which aboriginal people bestowed their heritage and their resources on our ancestors. This is a misleading and I think unfair interpretation of history. The native people lost their territory and resources because they were confronted with overwhelming numbers of people who possessed technological superiority.

No right–minded person would suggest the game was fair. The invaders were not adverse to double dealing, chicanery and theft, but some native tribes were not exactly angels either. The past is past.

My question for the hon. member is short and simple. He long ago joined the Canadian mainstream. Why does he continue to promote and propagate the idea that other native people should not also join the mainstream?

**Mr. Harper (Churchill):** Mr. Speaker, what we have heard in the House from the hon. member confirms what I mentioned earlier. There is obviously a lack of understanding by the member. I said that ignorance sometimes misleads the public.

If the member knew the First Nations people, we have been very kind and generous. The member should look at exactly what the treaties mean. Much of the documentation created at those treaty gatherings was done by government officials, maybe in some cases by priests who did not understand aboriginal people.

We have a very rich oral history. The member would find the treaties meant that we were to live with each other side by side, that we would respect each other and not dominate each other. That is the spirit of the treaties. The member would not find those things written in history books, but if he talked to our elders he would find how generous we have been to share the land and resources with the people.

We have never been conquered. We chose to enter treaties with your government. Today we find that many of the First Nations people live in poverty. Meanwhile other Canadian people live in better housing. The standard of living in Canada is one of the highest in the world. It is envied by many countries. But First Nations people do not enjoy that.

Like I said, all we ask for is the government to live up to its treaty promises. We do not ask for anything more or anything less.

**Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, I wonder if the hon. member for Churchill might elaborate a little more on the comment that was just made suggesting we should go into the mainstream of Canadian society. We do enter the Canadian mainstream society when we walk in the door to the House and Commons and to our offices each morning, but that is a when in Rome do as the Romans do practise. When we are back in our homes it is different. People do not go up to me and say: "Mr. Anawak". They say: "Hi Jack".

It is not our way to make one person any better than another, because we respect each other. I wonder if he could elaborate a little more. Yes, we do enter into the Canadian mainstream but at the same time our culture is very important to us and should be kept at all possible costs.

• (1335)

I realize this is not part of the debate, but considering the comments made by the member, I think it is appropriate that there be no misconceptions about how we feel as members of Parliament about entering the mainstream of Canadian society when we need to.

**The Deputy Speaker:** The hon. member for Churchill when answering might wish to use up the remaining one and half minute of the debate.

**Mr. Harper (Churchill):** Mr. Speaker, I thank the member for his question. I chose to become involved in mainstream politics because I wanted to raise many issues.

As First Nations members we were not even recognized as part of the country for a long time. The first time we were allowed to vote was in 1960 and in the province of Quebec it was 1969. Many of the laws and legislation affecting First Nations people were passed without the full consent and participation of the First Nations people.

It is hard to unravel the history and legislative policies over the last hundreds of years in that short period of time. As a matter of fact I was the first treaty Indian elected in the province of Manitoba about 11 or 12 years ago. Most of my activity in the political field has been in mainstream politics. Before that I was chief of my band.

My ambition was to become involved in mainstream politics and hopefully through my participation many other people will begin to understand First Nations people.

[*Translation*]

**The Deputy Speaker:** It being approximately 1:37 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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# PRIVATE MEMBERS' BUSINESS

[*English*]

## STUDENT LOANS

**Mr. Manning:** Mr. Speaker, I rise on a point of order. As you are aware, since the introduction of Motion M–291, the Canada Student Loans Act has been repealed and replaced by the Canada Student Financial Assistance Act.

I would like unanimous consent to amend M–291 by striking out the words "Canada Student Loans Act" and substituting the words "Canada Student Financial Assistance Act".

**The Deputy Speaker:** Is there unanimous consent?

**Some hon. members:** Agreed.

(Amendment agreed to.)

**Mr. Preston Manning (Calgary Southwest, Ref.)** moved:

That, in the opinion of this House, the government should consider the advisability of amending the Canada Student Financial Assistance Act to include an income contingent loan repayment system in order to:

(a) reduce the cost to taxpayers of financing post–secondary education by reducing the number and dollar amounts of loans defaulted upon, by charging accumulated interest, rather than simple interest on defaulted loans, and by reducing the number and dollar amounts of collection fees for defaulted loans;

(b) allow post–secondary students greater flexibility and fairness in financing their education through extended loan repayment period based on a fixed percentage of individual income;

(c) ensure that post–secondary institutions in Canada receive the funding necessary to maintain the high quality of services they presently provide.

He said: Mr. Speaker, I rise today in support of this motion. Before speaking to the merits of it, I would like to give a broader reason for Parliament, not just Reformers and not just the government but all members, to send a positive signal to young people by endorsing this proposal.

All of us as parliamentarians and members of the older generation pay lip service to the value of youth and the importance of the younger generation of Canadians. But actions speak louder than words. Often the actions of Parliament and the government send a very different message. For example, the chronic and systematic overspending by governments of our generation have piled up a burden of debt and taxation which we are passing on to the younger generation.

• (1340)

This is a terrible legacy and unless we address it, the principal effect of this generation of politicians on the well–being of the next generation will be essentially negative rather than positive.

Therefore I feel it is important for Parliament and the leadership of the country to offer something of real value to young people, something that by its very nature sends a message that states: "Yes, we realize your importance; yes, we recognize your value to the future of the country; and, yes, we are prepared to invest in you and not just pass on our debts".

During the last federal election campaign I made two proposals on the subject of higher education which seemed to provoke a very positive response from younger people. One was the proposal to give students more control over the spending of education dollars by distributing federal cash transfers in support of education in the form of non–repayable vouchers.

The other proposal that evoked a good response was the proposal embodied in this private member's bill. It is also a proposal mentioned in the government's human resources development discussion paper and that is the proposal for an income contingent loan repayment program.

I should mention that in the national leaders' debate that was held in Ottawa during the election campaign where the questioning from the audience was very controlled, the one and only question from a younger person in that audience had to do with how students facing higher tuition and education costs are going to finance their education in the future. I suggest that this income contingent loan repayment program provides the best answer we can think of to that question.

I would like to review the current situation briefly. Everyone knows students require money to finance their education. I know something about this personally. Sandra and I have five children, three of whom are of university age. The principal sources of funding for students are these: income earned by students themselves, and many students today are carrying two jobs in addition to their education to try to make their way through; family funds, if those are available, but those are often very restricted in many families; scholarship funds which are usually tied to academic performance and other criteria; and, borrowed funds.

At present the principal federal act for securing borrowed funds for students is the Canada Student Financial Assistance Act, the old Canada student loans act. Under the provisions of that program the government guarantees loans by private lenders, namely the banks, to students with the cost of the loan being subsidized by the government as long as the student is enrolled in full time studies. The student usually begins paying the loan back about eight months after leaving school. In the event of default the lenders are reimbursed and the loan is usually sent to a collection agency under contract with the government.

The principal defects of the current system are that it provides insufficient funding for students facing rising tuition and education costs and the fact that one in five students ends up defaulting on their loans.

Reform has asked: Is there not some superior alternative? We believe it exists in this income contingent loan repayment program. Since that is a mouthful I will refer to it from here on as the ICLR program.

Simply put, this is a program designed to allow students to pay back their student loans over a period of time after graduation based on their annual income, with collection being organized through the income tax system. After graduation a student would begin to repay their student loan based on their ability to pay as determined by their earnings. Precisely how much a former student pays back each year would vary from year to year depending on income. The specific amount set as a percentage of income would be paid through the income tax system. If the student's income does not reach a specified minimum amount, the payment would be deferred until earnings increased.

This payment system depends on an accurate flow of income statements after the individual has left the institution of higher education. Revenue Canada, producing the full details of a former student's income and whereabouts through the income tax form, would be the collector of the loans. We like the idea of income contingent loan repayments for three reasons.

• (1345)

It would help to maintain the high quality of educational services in this country. As the finance minister pointed out in the last couple of days demands on public resources are enormous. The availability of those resources is increasingly limited. Both federal and provincial jurisdictions are wrestling with how to refinance post–secondary education.

As governments contribute less and less funding and costs increase, the quality of education will decline unless new sources of revenue are found. Lack of laboratory equipment, growing class sizes and enrolment caps are a direct result of the decreasing government contributions in the face of escalating educational costs.

Any workable resolution to the underfunding of higher education must depend on more financing from non–government sources, including increased student fees. However one cannot increase tuition and other fees to students without making the cost of a university education even more prohibitive than it is under the current system.

If however students were permitted to repay loans on an income contingent basis over a longer period of time, the burden of higher tuition fees would be more manageable. Private lenders and the federal government would also be able to provide more and larger loans at lower risk because the loans would be secured by the enhanced future earnings of the graduate and backed up by the collection powers of Revenue Canada.

Another reason for supporting this scheme is that it provides greater fairness and flexibility for students. The current student loan system has many defects, most of which result in high default rates.

Prospective borrowers are subjected to traditional means tests that take into account their parents' and their partners' income. Students whose parents are relatively well off are often ineligible for student loans even if they receive no assistance from their parents. Students are obliged to repay their loans at the same rate and at the same level after graduation, regardless of their employment and income position.

The high default rate which results from this system has two particular negative effects. It invites abuse of the system by irresponsible borrowers to the detriment of those who really need the loans. It also makes it harder to maintain public support for the student loans program because taxpayers are often left holding the bag. The income contingent plan by contrast links the payment to the ability to pay and makes repayment more certain to the benefit of both students and taxpayers.

Under the current act taxpayers pay the difference between the simple interest paid by borrowers and the accumulated interest that private lenders demand. The taxpayers subsidize interest costs while the borrower is in school. The taxpayers end up footing the bill for loans where borrowers default and pay the collection fees charged on the defaulted loan. The cost of default has become a substantial burden on the entire system. Earlier this week Peter Moon of the *Globe and Mail* sketched out the dimensions of this burden.

Currently about one in five borrowers default on their student loans. About two–thirds of these eventually repay but only after the federal government assumes the debt from the bank and has launched some form of collection activity. The other third, about 7 per cent of all student loans, are carried as bad debt. There is currently about $1 billion in bad loans outstanding owed by 180,000 former students. Eventually about 2 per cent of all student borrowers use bankruptcy to evade payment of their loans.

Under an income contingent system these costs would all be substantially reduced. The savings associated with minimizing collection costs in particular would be major. The government spent about $23.3 million in collection costs last year to recover about $100 million worth of debt. With a total value of defaults approaching $1 billion the potential earnings of the collection agencies is now estimated to range up to $300 million.

To sum up, Reformers advocate the adoption of an income contingent repayment system for loans for three reasons. First, it is a cost–effective, fair and flexible system for students. It enables them to invest more in education, thus helping to fund and maintain Canada's high quality system. Second, it provides fairness and flexibility for students by dispensing with traditional means tests and by allowing former students to repay their loans over a longer period of time based on their income. The third reason is that it reduces the cost to taxpayers by minimizing defaults, dispensing with interest subsidies and minimizing collection costs.

• (1350)

I would like to spend a moment or two comparing the Reform and Liberal government commitments to financing higher education. I often note that some of the government's best ideas are ones that have been appropriated from the Reform Party. Canadian governments have gone out of their way to ignore this type of proposal for about 40 years, as well as the experiences with it in Australia and New Zealand. However only weeks after my motion was placed on the Order Paper experimentation with ICLR appeared in Bill C–28.

During the debate on that bill, Reformers suggested that the whole system of student loans should be overhauled with a system of income contingent loan repayment. A few months later, lo and behold, the social policy discussion paper proposed just that. We do not mind when the government borrows good ideas from Reform. Our only concern is that it takes it so long to do it. We hope it does not bungle the implementation.

There is however one significant difference between ICLRs as the government is proposing and ICLRs Reformers propose. Unlike the Liberal government's proposal, Reformers do not see student loan reform as a means of offloading government debt onto students or abdicating the federal government's role in the funding of higher education.

We see income contingent loan repayment as a replacement for the current system of student loans and as a supplement to federal educational transfers. We believe the cash portion should be transferred directly to students in the form of non–repayable vouchers.

On the other hand, the government's social policy discussion paper recommends eliminating the cash portion of federal education transfers. This would reduce the EPF portion of federal education funding by over 40 per cent and students would have to meet this shortfall.

This is why students are so concerned about the government's proposals. Students are not stupid; they know the difference between a repayable loan and a non–repayable voucher. While ICLR is a valuable proposal in and of itself, students and prospective students legitimately fear that the sudden elimination of federal cash transfers will damage the quality of education, restrict access and saddle them with massive personal debt.

In conclusion, I want to say just one word about the support of the ICLR system and where it should come on the list of Parliament's spending priorities. Everyone in the Chamber knows the Reform Party has made its reputation by calling for spending reductions that would balance the federal budget within the term of this Parliament. However as indicated in our zero in three plan for eliminating the deficit which we tabled last winter, one of the few areas where Reformers do not advocate spending reduction is in the area of financial support for post–secondary education.

Make no mistake: Reform's fiscal goal is to eliminate the deficit. However post–secondary education as an investment in Canada's future is so important to us that we are prepared to make massive spending reductions in other areas in order to maintain current funding levels for education.

I suggest to the House that of all the things the government does, of all the money it spends, its one true investment in the future is its investment in the education and training of the younger generation of Canadians.

In this light, the inadequacy of the proposals put forward by the Minister of Human Resources Development in his discussion paper with respect to financing education frankly leads us to question the government's competence to set spending priorities in the exercise of social reform or deficit reduction.

I ask the House and I ask members opposite: Is $1.1 billion in federal subsidies to the CBC more important than the funding of the education of young people? I do not think so. Is $40 million in federal funding for multiculturalism more important than funding the education of young people? I do not think so. Is $50 million spent on bilingual bonuses for civil servants more important than the funding of the education of young people? I do not think so. Is $1.4 million spent on a film glorifying the murderers of Pierre Laporte more important than the funding of the education of young people? I do not think so. Is over $3 billion in federal funding for subsidies to private business more important than the funding of the education of young people? I do not think so.

• (1355)

In conclusion, I hope the House will support this motion to reform student loans, especially in light of the proposals in the government's social policy discussion paper. Let us send a clear signal to the young people of the country that our highest priority is their education, their knowledge and skills, and their future.

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, I am pleased the hon. member did eventually conclude. After saying in conclusion about three times, it was nice to see that he finally came to his conclusion.

The government believes our competitiveness and therefore our prosperity depends on the skills and talents of individual Canadians. The policy choices we make today will have important consequences for the future. Based on that belief the federal government is ensuring access to student loans and increasing the amount of money students receive under the program.

We have approached the provinces to undertake pilot projects in areas like school to work transition and learning technologies because we know Canadians will be placing more and not fewer demands on the educational system in the future. The resources we use must be carefully placed for the greatest impact. Research partnership with provincial governments will develop new ways of bringing appropriate instruction and training within the reach of all Canadians.

Members already know we have to make the most of every tax dollar. They should also bear in mind there are few better investments to make with those tax dollars than helping our people to learn, whether they are children, teenagers, people in the workforce or people who want to rejoin the working world.

It bears repeating that the government and most Canadians place a high value on post–secondary education. Canada and Canadians spend a great deal of money on higher education. Every college and university student in Canada owes the taxpayers a great deal, but the taxpayers benefit from a well educated workforce.

Our college and university graduates repay the investment in many different ways. University graduates have an unemployment rate of 5.7 per cent; the rate of those who did not finish high school is more than 16 per cent. Post–secondary graduates earn about 40 per cent more than non–graduates over their lifetimes. Last year more than three million Canadians were on some kind of income security at one point.

In a time of constraint, allocating resources becomes very difficult. There is greater need and there are more contending voices. Under these circumstances a government is obliged to listen carefully before choosing a policy.

To justify support for higher education we can point to the fact that in the last three years there were 17 per cent more jobs for university graduates and 19 per cent fewer jobs for those who had not completed high school. By the year 2000, 45 per cent of jobs will require 16 or more years of education.

With that in mind we have improved the Canada student loans program. These measures reflect the concerns raised over the years by the public, the provinces and student groups. There are many reasons for extending the benefits of student loans.

There is no question that an investment in education now will reduce social assistance costs in the future. A sound education and access to training now will help following generations of Canadians to grow up in a more secure world. We must invest in a skilled workforce now to ensure that Canada and Canadians have real choices in the future.

The work has already started. New financing arrangements under the Canada Student Financial Assistance Act will ensure income sensitive terms for borrowers as they repay their loans. Lenders will assume greater responsibility in servicing and recovering loans.

Under the reform, students in similar situations will receive similar treatment in each participating province. Some students are worried that income contingent repayment will load them with a huge burden of debt. We made our intentions plain in the new Canada Student Financial Assistance Act.

Take a look at what we did. We created four new grant categories under the student loans act. We responded to the needs of part time students, students with disabilities, single mothers and women in certain graduate programs.

We want people to get a good education. Canada gets a high return from its investment in competent and well trained graduates. At the same time the government believes that those who benefit from post–secondary education must assume their responsibilities. When we make student loans for example, we believe those students are obliged to complete their studies and then repay the loans if they are able.

In his motion the member calls for the government to consider the advisability of income contingent repayment. With all respect, the short answer is the government is already looking at income contingent repayment.

• (1400)

In May and June the government moved the Canada Student Financial Assistance Act, Bill C–28, through Parliament to royal assent. This act provides flexibility for ICR schemes. We are consulting with the provinces on possible pilot projects. The province of Ontario and the Department of Human Resources Development among others promoted and took part in a two–day symposium on income contingent repayment in later September. Work is underway with Statistics Canada to develop an economic model of ICR which will allow the testing out of various scenarios.

The question we must ask about ICR or any other proposal about higher education is simply will this measure benefit Canadians by bringing college and university studies within the reach of everyone who wants to attend?

The discussion of ICR is not taking place in a vacuum. As we all know, Canada's economic future will increasingly depend on our college and university graduates. The choices those students make will determine the country's ability to compete and our

potential to remain one of the best countries in the world, in my view the best.

These brief remarks can hardly do justice to the concept of income contingent repayment. What I can say to the hon. member is the government is always willing to explore new ways to do more with fewer resources. We are already taking steps to investigate income contingent repayment.

The reforms to the student loans program which are now being implemented do not represent the government's final word on ways to help Canadians finance their post–secondary studies. If there is convincing evidence that Canada would benefit from an income contingent repayment system the findings will speak for themselves.

We do welcome good ideas. As a nation we spend 2.6 per cent of the value of our entire economy on post–secondary education every year. That is a lot of money. It is also the highest percentage of any country in the world. From high school 60 per cent of Canadian students now move on to college or university. We should bear in mind in a given year two–thirds of students do not take out student loans. The majority graduated with under $5,000 in student loans.

When it comes to ICRs we have done our homework. At the same time some student associations believe that any benefits they receive from ICR loans would quickly be taken away by their provincial governments in the form of fee increases.

We all know that we cannot impose educational fee schedules on provincial governments. They have gone up in recent years. Let me make this point. Education and training are shared responsibilities. Governments can offer students a wide choice of opportunities but Canadians have an obligation to invest in themselves.

As a country we are willing to commit resources to education, but many Canadians still feel we are not getting the kind of graduates we need. We all face a new reality. When people stop learning they stop earning. We do not want to burden new graduates with huge debts. The new act makes that clear. We are working for a system that supports people who go to school, not one that penalizes their ambition.

Throughout their working lives many if not most Canadians will need to learn new skills. Before that can happen all of us must learn new attitudes as Canadians, as governments, as businesses and associations. The challenge is accessibility. Potential students may have all the ability and all the desire in the world but we cannot expect them to undertake their studies without the means to finance their education and a realistic way to repay their loans.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I too appreciate this opportunity, as the Official Opposition critic for training and youth, to state the position of our party with regard to Motion M–291 put forward by the Leader of the Reform Party

This motion, as you may recall, reads as follows: "That, in the opinion of this House, the government should consider the advisability of amending the Canada Student Loans Act to include an income contingent loan repayment system [—]"

On the face of it, the concept of repayment based on income seems to be to the students' advantage. If that were the intent, there would, of course, be very wide support for this motion on this side.

• (1405)

But since no clear definition of this concept exists as of yet, it can easily be used for other purposes.

As it stands, the motion tabled by the leader of the Reform Party justifies, in our view, the approach advocated by this government, that is to say to have the students defray the costs of higher education.

There is no need for me to emphasize the fact that, at more than $500 billion, our national debt is huge, but the point can easily be made that students are not to blame for this situation. It is not the doing of students pursuing higher education. I will not get into a debate on who is to blame. Let us just say that the blame does not rest only with this government. As we know, this debt has been spiralling, particularly since 1979. It started under the Liberals and continued with the Conservatives and is still growing today.

Just now, I heard the member of the governing party say something that is very wrong. He said that responsibility for higher education is shared by the federal and provincial governments. The member has misread the Constitution, which clearly states that education and higher education are a provincial responsibility. My purpose today is not to debate the Constitution, but it is still worth recalling because even members of this House seem not to know that fact.

Despite that, we know that so far the federal government has used the spending power, which is also in the Constitution, to invade this field. Since some of Quebec's taxes have been used until now to finance higher education under the federal government's authority, it was normal that we tried to obtain our share, but again, keep in mind that it is in provincial jurisdiction.

Until now, we in Quebec have used our right to opt out with financial compensation, but this is not the discussion that I want to get into today.

We believe that we must debate ICLR more thoroughly before setting up such a plan. Nevertheless, we oppose any use of ICLR if the ultimate goal is to make students pay the full cost of higher education, because tuition fees are already rising outrageously. Students' indebteness is also growing at an alarming rate, and

not just the national debt. Students' personal debt is already rising fast.

Indeed, students have great difficulty repaying their loans once they graduate. According to an article that appeared in the October 18 edition of the *Globe and Mail*, the federal government is now owed close to $1 billion by former students unable to repay their loans. The new financial assistance law passed on June 23 will allow us to compensate by turning to banks, whose customary generosity is well known. These banks will not hesitate to recover students' debts.

Here is another statistic: former students unable to pay for their studies make up 10 per cent of personal bankruptcy cases. What do they want to do now? They want to increase these students' debt load. Where are we heading, Mr. Speaker?

Although figures are often contradictory, according to the Committee on Human Resources, the average Canadian student owes $11,000. At first sight, this does not seem very high, but it is the average and we know that the average includes those students who do not complete their college or university studies. This means that, at least in Quebec, the $11,000 average debt would be closer to $16,000 or $17,000 for those about to receive their B.A., and some even talk about a higher figure.

• (1410)

They mention an average of $21,000 for students with a master's degree and $37,000 for those with a Ph.D. The Federation of Students thinks that these figures will double. We can see what kind of debt load this could lead to.

I do not think that the purpose of this motion is to help students. If we read paragraph (*a*) of the motion tabled by the leader of the Reform Party, we can see clearly that such is not the case. Its first objective is to "reduce the cost to taxpayers of financing post–secondary education". The goal is not to help students but to reduce the deficit. So we, of course, disagree with the motion as it now stands.

A closer look at the text of the motion gives us a better understanding of the real motives of this party which, above all, wants to cut costs. I said that in paragraph *(a)*, the reason was to reduce the cost to taxpayers of financing post–secondary education. Like the Liberal government, the Reform Party recommends reducing the government's financial commitments to post–secondary education. Its purpose in presenting this motion is, first of all, to reduce government spending.

Students will have to pay higher tuition fees as a result of government cutbacks. The Reform Party and the Liberal government describe income contingent loan repayment as a blessing for students, but they omit the fact that this measure comes at a time of major cuts in financing for post–secondary institutions. The blessing is rather dubious.

We are against cuts in post–secondary education. If the government wants to withdraw from an area that is an exclusively provincial jurisdiction, it should do so across the board, not just financially. The government seems to want to control more while spending less. There is a contradiction here. We agree the system for repayment of student loans should be changed, but not in the way suggested by the Leader of the Reform Party or by the Liberal government under its current social security reform.

Occasionally, references are made to countries like Sweden, Australia and New Zealand, which have introduced income contingent loan repayment systems. We know that New Zealand was forced to do so by the IMF. However, people tend to forget that the position of students and post–secondary education financing differs from one country to the next. It is therefore very difficult to apply in this country what is being done elsewhere, especially since the ICLR systems used in these countries are relatively recent and according to initial results have shown that they are not successful.

Closer to home, a pilot project in Ontario had 1,000 openings and only 75 people took advantage of this opportunity, 75 out of a potential 1,000. Why? Because, students, the Canadian Federation of Students and the Quebec Federation, all the major student federations are against the system. Why? Because it only covers loans, and there are no provisions for bursaries.

In Quebec, we have a bursary program that is very popular. Since I only have one minute left, I see the Chairman of the Human Resources Committee, and I happen to be a member of this committee which will organize wide–ranging consultations across the country. I think this is a concept that could be discussed, but I think we would need some in–depth consultation before getting it on the road.

[*English*]

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, it gives me great pleasure today to speak on the motion of my esteemed colleague, Motion No. 291, to amend the Canada Student Loans Act to include an income contingent loan repayment system in order to reduce the cost to the taxpayers of financing post–secondary education.

Before I begin I would like to address my colleague's concern. This is not a turf war between provinces. We are bringing this motion forward for students across this country and we do not care what province they come from. I suggest that he look to

New Zealand and Australia to see two places where the motion has been brought into play and where it works.

• (1415)

If health is the most important thing that Canadians value then surely education is its greatest investment. A solid investment in education for the people of this country, particularly its youth, is the greatest guarantee that we can have to ensure the social and economic integrity of our society.

Canadian universities are now in a state of serious financial crisis. Administrators, faculty and students alike agree that the fiscal crisis we are now in compromises their ability to provide for the best educational opportunities for the youth of this country.

Underfunding on every campus is pervasive and the effects are extremely negative. Fat has already been removed from the system. We are now down to the bone and the bone is being chipped away.

It was not so long ago that I graduated from the University of Toronto after spending seven years there. It has not become any easier since I graduated. Underfunding for the students is still a huge problem as an example. The percentage of students borrowing from 1982 to 1990 has risen from 44 to 47 per cent but the amount they owe when they get out has also increased dramatically, from $5,400 to $8,600 for merely a bachelors degree. This is especially prevalent among those of lower socioeconomic groups.

The fact that costs are increasing is compounded by the fact that students cannot find summer jobs or part time jobs to offset their tuition fee. In effect they are caught between a rock and a hard place. On one hand they recognize that their best hope for a career and a future to become financially independent is to acquire post–secondary education. On the other hand they recognize that it is becoming increasingly more difficult to fund it but to drop out of school will commit them generally speaking to a life of low paying jobs with little potential for advancement.

Recent studies have shown that the most important factor of gaining employment is in fact some form of post–secondary education. This fiscal crisis that students have can be amplified on a macro scale to our country by the fact that we have increasing deficits that add to the debt which produces increasing interest payments that extracted from the government and enables less money to be paid for programs such as education. I know we keep on harping on this fact but we will repeat it a thousand times until the government gets into its head what needs to be done.

It is a vicious cycle that has to end. I am encouraging the Minister of Finance who has at long last admitted to the problem and has an understanding of what to do. However he does not have a plan. We do in this party. It is called the zero in three plan. Again I encourage the Minister of Finance to solicit our help in aiding him to make fair, equitable and constructive cuts to minimize the hardships for people while enabling this country to get the economic kickstart it is so desperately in need of. We have a plan. All he needs to do is ask us for it.

We in this party have also looked for ways to ensure that every qualified student gets equal access to post–secondary education and not just the rich. In response to this my colleague has again brought up what I will refer to, and he has explained, as the ICLR, a concept that our party has been advocating for years. It has widespread support among students, administrators, and educators alike across the country. It has been applauded by these groups as being fair, more effective, and more fiscally responsible than any other way of dealing with the student loan system.

Currently our system has the same loan limits and criteria and has not changed since 1984. It is behind the times; behind the times with the costs of education rising, the cost of living rising, and job availability decreasing. The loan system has become archaic and much less helpful for the student population and requires immediate revamping.

When students graduate they often find it very difficult to find employment in the job market and this is becoming increasingly more difficult with time. Real incomes are down, job prospects are down, and they cannot pay back their loans. As a result of this, 70 per cent default in the first 12 to 18 months. This does not lead to a system that is self–sustaining and self–perpetuating for future generations. It costs the taxpayers money. It is a drain and an unnecessary one at that. It detracts money from higher education.

• (1420)

How bad is this situation? Let us take a look. In 1992 loan defaulting became epidemic. The value of loans defaulted since 1964 is in the order of a billion dollars. That represents 180,000 students. The cost of extraction will be between $135 million and $270 million, money again removed from the educational system that could best be spent to provide for students in the trenches.

The finance minister has also proposed to convert the cash contribution of education from $2.6 billion to zero by the year 2006. This will produce a sharp rise in tuition fees and some say will double in the year 1997. The problem is becoming more critical in the very near future.

This is the most interesting fact. Most people after they receive their post–secondary education ultimately do find a job. The problem occurs in the first few years after they graduate when they are not making much money at all. Because of the inflexibility of the current loan repayment system they are forced to default. This is a tragic loss to the taxpayer and our educational system and one that is unnecessary.

That is why this ICLR system that we propose is a powerful tool to ensure greater certainty of return by tying the repayment scheme to the income of the student. It would not cost more to operate because it would operate through the existing income tax structure and would be easily managed.

With the ICLR, this would produce a system that would be self–sustaining with a much higher rate of return and much more money being kept in the educational system. It is fair and non–discriminating.

Education is indeed the hope of the future. In this world of globalization and specialization, with the rapid movement of capital across borders, economies are forced to change and change rapidly. That is why our educational system must be nimble in its ability to accommodate the needs of a rapidly changing economy.

It is estimated that a student now graduating will change his or her profession four, five or more times in the course of their lifetime. With this in mind, we will need an expanded educational system and the ICLR will produce the funding for this system by stanching the losses incurred through defaulting.

I implore the government to look ahead to the future, not five years but forty years down the line to anticipate the needs of our economy and provide for these educational opportunities now. This will require courage and foresight with this knowledge.

Our country demands a strong workforce. A workforce can only be strong if it is given the proper educational opportunities that it deserves which will cost money, money that will be harder to find. That is why Motion No. 291 is a must to support. We in this party support it. I hope people across the House and across party borders will take it in their hearts to support this motion for students all across the country.

**Mr. Barry Campbell (St. Paul's, Lib.):** Mr. Speaker, to debate the motion thoroughly, we should take a moment to reflect upon what we expect from higher education.

Canadians understand that we face tougher competition here at home and around the world. Knowledge based industries are becoming more important. We hear more about concepts like distance education and lifelong learning.

The pace of change is accelerating. Knowledge intensive industries like telecommunications, environmental services, computer technology and biotechnology will provide economic growth now and into the future.

The working world has changed dramatically. Canadians can now expect to change jobs several times in a working career, as the hon. member just said. No one can count on lifetime secure positions with a single employer.

We know that a majority of jobs now being created will require at least 16 years of schooling. Higher education and continuous retraining will be necessary to remain competitive in the marketplace of the future.

While Canadians are being told to acquire more education, tuition fees have been rising and changes to the family structure and the economic environment have been making it difficult for some people to return to school to complete their studies.

Therefore, we take the hon. member's motion to consider the advisability of income contingent repayment quite seriously. Under ICR loan repayments would be adjusted to incomes. Graduates could begin their working lives knowing their student loan debts would not overwhelm their incomes. Such systems could reach potential students who are now deterred by the prospect of large, fixed loan repayments after they leave school.

• (1425 )

As the member may know, the federal and provincial governments have discussed these concepts in the past. We will continue to examine them. An ICR student loan system deserves careful consideration. The potential cost implications will be a factor in our assessment because the federal government must reduce spending in all areas in order to address the deficit. The matter is as clear to the hon. leader of the Reform Party as it is to me. Cost will not be the only factor.

The member's motion is an opportunity to elaborate on the discussion of income contingent repayment in the social security reform discussion paper. Every year the provinces receive a higher proportion of their post–secondary education funding as a result of the transfer of tax points. The overall transfer of funds from the federal government is not increasing. This means that while the tax point transfer increases provincial revenues, revenues that are supposed to be used to support educational institutions, the direct cash component of the transfer is declining.

The provinces in the coming years will retain the tax points and they will steadily increase in value as the economy grows. The federal government is asking the provinces to consider shifting the current cash transfers into expanded loans and grants to students. The result would be a permanent $2 billion loan fund for sustainable student aid.

The resource would continue to grow in the future and extend its benefits to succeeding generations of Canadians. This is not the blind and brutal cost cutting that some opponents of social security review fear. Designed properly and carefully administered, we could put in place a resource that would help educate generations of students.

As a proposal for change the hon. member's motion is one more voice calling for creative ways to help every Canadian with ability and the desire to attend college or university. We have already taken measures to increase and enhance student

assistance and to help students make the school to work transition.

We have high expectations of our graduates. We want them to maintain a prominent place for Canada among the advanced countries of the world. Considering our expectations, providing student aid to those in need is more than a commitment to fairness and equality; it is an investment in people. The amount and the conditions of that investment in student loans reflect the confidence we have in their abilities.

We need a climate that encourages both entrepreneurs and investors. We need a highly skilled and adaptable workforce to keep pace with the competition in high tech industries around the world. Now Canadians want clear direction to guide their individual decisions on education and training.

This generation of decision makers must give all Canadians realistic choices because now more than ever we need everyone's skills and capabilities mobilized to build our common future. In creating opportunities the government put its commitment to education and training on the record. We are keeping our promises.

For 30 years the Canada student loans program has reduced financial obstacles to post–secondary education for over two million students. The new measures we introduced this past spring will make education more accessible to students with disabilities. Those students will help build larger, better educated and a more representative workforce.

Other reforms reach out to a growing constituency of part time students by increasing their loan limit from $2,500 to $4,000. Under the new financing arrangement part time students will pay only the interest on their loans while they are still in school. Single parents will face fewer obstacles to their education. The new needs assessment acknowledges the reality of child care and transportation expenses as well as tuition and books.

To address their present under–representation, women in engineering, mathematics and science programs at the doctoral level will be eligible for special opportunity grants of up to $3,000 per year.

The Canada Student Financial Assistance Act reforms are designed to help those who need better access to post–secondary education. Today more than 900,000 full time and more than half a million part time students are pursuing a higher education. They do not just represent an investment in our future, they are the future.

The new Canada Student Financial Assistance Act also enables the federal government to join provinces in pilot studies of income contingent replacement systems. The hon. member opposite might recall that we wrote this specific provision into the Canada Student Loans Act so we could investigate its usefulness.

Income contingent replacement has some very attractive features. It can be designed to meet different categories of need while students are still in school. After finishing school, the graduate who finds employment can pay off the loan at a rate that by definition is affordable.

The student's risk is reduced because the loan would adjust to an unexpectedly low income. We have heard the term offloading from some students who oppose the ICR assistance, because they believe people will graduate with huge debtloads. ICR assistance can be deigned to protect the very small number of students who necessarily take on a high level of debt.

Just as we have made provision for large debts in the Canada Students Financial Assistance Act, we could design a system that eased the burden for these situations. For the average student, the extra burden is estimated at about $2,000 a year. To put that in perspective, two years after graduation, the person with a post–secondary education is making 25 per cent more than someone with only a high school diploma.

• (1430)

If students take out a loan to finance their education, they are the best judges of how much debt they can assume. If they are wrong about their future earnings, they are only required to repay what they can afford.

In effect, borrowers are protected from the risk of being unable to pay and their borrowing relates to their ability to pay rather than that of their parents. We do not intend to bury our students under a mountain of debt, far from it. We will support their efforts to get the education they want. We want them to go on and hold jobs and create jobs. When that happens, the student loans system benefits all of us.

The hon. member's motion and the new Canada Student Financial Assistance Act both address the aim of meeting the challenge of allocating education costs fairly between governments and students.

Some groups oppose an ICR while others believe there will be benefits. The Association of Universities and Colleges has proposed an ICR type system. The Association of Community Colleges is generally in favour. Some student associations are interested in the concept. I note that some institutions have concern with the proposals in the social security review with respect to EPF transfers.

We are in dialogue with these institutions and welcome their active participation in the social security review. Their ideas and support are extremely important for all Canadians.

There are no exact models elsewhere in the world that tell us how ICR would work in Canada, in the Canadian environment. We must evaluate the idea in the Canadian context. We want to know if we can build a comprehensive system to help

students in need without putting a greater burden on the taxpayer.

Social programs save money by putting resources where they belong, training and employment skills for those who need them and protection for those people who need help.

The current system is not doing a good job. It keeps some Canadians in poverty and dependence. Any new system must help people learn the skills, develop the skills they need to get back on their feet.

We hope that the social security review will bring to light more interesting and creative concepts. It is safe to assume we will need flexible and responsive systems to meet the training requirements of the Canadian workforce.

In the final analysis, Canadians want a system that works. We know that success in advanced technologies is the key to a prosperous and caring society. The key to future success is advanced education. Canadians must share in the benefits and costs of academic success.

We expect many more Canadians will enroll in our colleges and universities. Young and old alike will want the skills that keep them employed in well paying and challenging jobs. The social security review will examine anything that could contribute to this success. Together as partners, we can manage our educational resources to meet the needs of every student. When our students succeed their achievements benefit all of us.

The hon. member's motion has illuminated one possible response to the need for fair and effective student loans. Through this debate within the context of the social security review and elsewhere we will continue to seek out, listen to and investigate every possible means by which Canadians can build prosperous and productive futures through training and education.

**The Deputy Speaker:** There are approximately seven minutes left. The hon. member for Capilano—Howe Sound has approximately seven minutes. He will have three minutes in the next two–hour session.

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, the Minister of Finance this week like never before cut through the traditional Liberal ideology and wishful thinking when he warned that spending cuts are needed or the country will go bankrupt.

The search for such cuts is now on. I predict confidently that the post–secondary education sector will not be spared such cuts any more than any other of the many worthy spending programs in our society except those serving the truly needy, handicapped and aged.

If this education sector joins all the other recipients of government funds in the traditional refusal to accept cuts and the government accedes to their wishes, the coming financial crisis very soon will make the recently proposed cuts seem trivial.

Under either scenario, I believe that it is in the self–interest of the higher education sector to consider methods for dealing with the coming financial difficulties.

I recommend this course of action because I am totally convinced of the economic and social merit of higher education. How could it be any other way after 30 years of university teaching, the experience of having seen first hand many generations of young people gaining knowledge and maturity that prepared them for successful careers in their lives. I do so because I am a realist and I wish to see a continued, strong higher education industry in Canada.

• (1435)

The financial innovation that will help this sector overcome the upcoming financial problems is found in the private member's bill for the establishment of income contingent student loans which we are here to discuss today. What are these innovative types of loans? The idea is simple. Students receive government loans that they can use to pay tuition at institutions of higher learning. The loans plus accrued interest are repaid in instalments once the borrowers have reached a specified level of income. Revenue Canada would serve as a collection agency at low cost.

Detailed legislation has to address a number of important characteristics of this system such as the maximum amount a person can borrow, the interest to be charged, the income threshold when repayment starts, the period of required amortization which determines the maximum annual income tax surcharge.

While one should never underestimate the devil that lurks in these details, enough research and practical experience with the principle of income contingent loans exist to make me confident that it is workable, efficient and equitable. The program would give students the ability to pay more of the true cost of their education. Institutions of higher learning could use this ability to recover more of their operating costs, replacing the funds lost as a result of the government's present financial problems.

Students certainly will not like having to absorb more of the cost of their own education. I would be very disappointed if they did not launch massive protests and repeat all the old chestnuts about the unfairness of it all, how it prevents those with low income parents from obtaining higher education and so on. I sympathize with these students. They have had a good deal for a long time and very few people will want to give it up when they have had such a good deal.

I enjoyed having these benefits when I was a student. The time of free lunches and good deals is over. I wish it were not so, that we could go back to the past when the taxpayer paid the full fare. No wishing will bring it back. The country is heading for bankruptcy and students will have to share in the burden of preventing this untold disaster. Do not shoot the messenger.

A few facts should be considered by those concerned about the fairness and efficiency of the proposed system. Canada devotes a large amount of resources to higher education. The direct and indirect annual costs are about $15,000 per student per year which in total are exceeded only by the costs of health care.

There are over 100 universities and other institutions of higher learning for 29 million Canadians. Nova Scotia has 32 university places per 1,000 population. Analogous figures are 21 for Ontario and 13 for British Columbia.

As a result of past investment in higher education 17 per cent of Canada's population hold university degrees. This compares very favourably with 7 per cent in France and 8 per cent in the United Kingdom.

Students should also consider the following fact about their ability to pay a larger share of the true cost of higher education. I am sorry, I have to wind down. I will have to continue next time, but the point is that the private rate of return to higher education is—

**The Deputy Speaker:** Thanks to the graciousness of the parliamentary secretary, it is proposed that we not see the clock. Is that agreed?

**Some hon. members:** Agreed.

**Mr. Grubel:** Mr. Speaker, I really appreciate the generosity of the members opposite.

Census data show that Canadians with bachelor degrees on average earn higher incomes than Canadians with lower levels of educational attainment. The present value of these lifetime income premiums is much greater than the costs involved in obtaining the degrees. These costs consist of tuition fees at recent levels, costs of books and supplies and, quantitatively dwarfing all the other costs, the earnings forgone while in university.

The rates of return on these investments in recent decades have been about 7 to 10 per cent. This is a very good rate of return. It is capable of absorbing very substantial increases in tuition costs without becoming less than the real long run rates of return available in financial market instruments.

Students concerned about the fairness of our society's spending and taxation system should be aware that the vast bulk of university graduates come from families in the middle and higher end of the income distribution. Yet a substantial proportion of the tax revenue used to pay for their education is collected from Canadians with lower incomes. In effect, the present system forces low income earners to subsidize those with higher incomes to get their university education.

The proposed system will correct this inequity. Middle and higher income families will pay a larger share of the higher education benefits they receive. If bad luck prevents them from enjoying the benefits of higher education, these students will not have to repay.

Students concerned about the access of the poor to higher education are reminded that under the present system the poor are often excluded because they do not qualify for fixed repayment loans. Under this system, no questions are asked and they will have access without any difficulty. They have to repay only if they are able to do so.

Finally, I would like to raise a point that is not often discussed. Under the present arrangement, students choices are severely limited. Programs offered by state monopolies of higher education have been slow to react to the demands of students in a changing world. It is well known that the solution to these problems lies in the use of vouchers, that is, non–repayable certificates given to students and cashable at institutions of their choice. The Reform Party supports the use of such vouchers and the resultant empowerment of students.

The income contingent loans program moves the system closer to the ultimate goal of vouchers. It similarly empowers students to obtain study programs that they like rather than those that professors and bureaucrats think they should like. By spending their loan money in institutions of their choice, they encourage them to grow and force others to shrink. Since they spend their own repayable money, they have the proper incentives to make wise choices.

The time for income contingent loans for students in higher education has come. This proposed system offers an efficient and equitable way out of the problems created by the country's financial crisis.

I hope the government will take note of this private member's bill introduced by the Reform Party and debated today and that it will offer promptly legislation to put it into effect.

**The Deputy Speaker:** The Chair would thank the members for their co–operation and assistance to the member who just spoke.

The hour provided for the consideration of Private Members' Business has expired. Pursuant to Standing Order 93 the motion is dropped to the bottom of the order of precedence on the Order Paper.

The House stands adjourned until Monday at 11 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 2.44 p.m.)

# HOUSE OF COMMONS

**Monday, October 24, 1994**

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

[*Translation*]

### IMMIGRATION ACT

The House resumed from September 23 consideration of motion.

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, it is with great pleasure that I rise in this House to speak to the motion put forth by my hon. colleague from Calgary Northeast, a proposal that came as a surprise to me, and I must say right away that I am totally opposed to it.

Before preparing my remarks, I read with a great deal of attention the speech the hon. member for Calgary Northeast made before this House to try to understand where he was coming from, and I must confess that a few of the things I read made me jump.

At first glance, the member seems to justify denying entry into Canada to HIV–positive applicants for economic reasons. But a closer look revealed deeper and more troubling underlying reasons. For one thing, the cost argument is not really relevant in this debate, and this for two reasons: first, as regards the real cost of treating AIDS patients, my colleague inflates the figures. Based on available estimates, the cost to treat each patient is certainly not a minimum of $200,000; it is actually closer to half the amount quoted by my hon. colleague.

In addition, nothing proves that more money will be saved by subjecting immigration applicants to HIV screening than to screening for other diseases. An extensive study by a group of researchers from the McGill Centre for Medicine, Ethics and Law shows that if Canada were to decide to systematically test all immigrants to determine if they are HIV positive, this would be a political decision rather than one based on economic considerations.

As part of their study, the researchers compared AIDS and coronary disease using available data concerning all immigrants admitted to Canada in 1988 to demonstrate that these two health problems weigh equally heavily on the Canadian health system.

To target only the HIV virus is discriminatory, I believe.

• (1105)

In his September 23 speech the hon. member continues to surprise us by saying: "When implemented the motion would be a significant step in the war on AIDS". This shows how little my colleague knows about AIDS. AIDS is an international plague that hits indiscriminately without sparing any society, culture or country.

How can the hon. member think for one minute that closing off our borders will solve the problem? According to this logic, we should also require all Canadians coming back from abroad to take this test. And what about the open border with the U.S., diplomats and the cost of all these millions of tests?

As the Official Opposition critic on health, I am, needless to say, concerned about AIDS. This terrifying disease is spreading at an alarming rate. According to the most conservative estimates, over 30 to 40 million people will have AIDS by the year 2000, less than six years from now. It is predicted that 30,000 Canadians will develop AIDS within the next five or six years. These figures are alarming and closing our doors to immigrants will not change this reality in any way.

So what can we do? While we wait for a cure, the only tools available to try to stop the spread of this terrible disease are awareness and prevention. That is why the Official Opposition is asking the government to create a committee to review the Canadian AIDS strategy, Phase II.

That is also why I regularly ask the Minister of Health to allocate her budget better, because cutting transfer payments for health–care to the provinces every year is no way to help them launch effective awareness and prevention campaigns.

Spending $12 million on a forum that will be totally useless is no way either to protect people in Quebec and Canada. If the federal government took the AIDS threat seriously, it would have invested the forum's $12 million in research or in assistance or awareness programs. Despite several years of efforts to sensitize the population, there obviously remain many prejudices about this terrible disease and the virus associated with it.

The motion before us reflects very well this lack of understanding and the prejudices attached to it. Some still think that HIV can be contracted through casual contact, just like the flu. We know that such is not the case. Others even see this disease as God's punishment. It is high time to sensitize everyone to this disease that will become increasingly present in our society.

What is worse is that those who support this motion seem to mistakenly believe that an HIV–positive person can no longer make a contribution to society, that they can only be a burden to society. This attitude is regrettable and even shocking for Canadians with this terrible disease who must learn to live not only with the virus but also with the prejudices, lack of understanding and fear of others.

We in the Bloc Quebecois reject this attitude of denigrating and attacking everything one fears or does not understand; of closing our minds instead of opening them; of telling Canadians: "Let us keep our heads in the sand and maybe when we stick our heads out again, the AIDS problem will be gone and we will be spared".

No, Mr. Speaker, that is not the attitude we should take. It is not Quebecers' attitude and it is certainly not the attitude that the vast majority of Canadians would want to take.

This motion betrays ignorance about the terrifying AIDS problem. Should it be implemented, this backward initiative would take us back to the dark ages and that is why the Bloc Quebecois and I vigorously oppose this motion.

• (1110)

[*English*]

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Mr. Speaker, thank you for providing me with the opportunity to continue the debate regarding the private member's motion placed before the House by the member for Calgary Northeast. The member is demanding that all applicants for immigration to Canada be tested and screened for HIV, the AIDS virus, that all testing be regulated by the government, and that a positive result of an HIV screening be included as grounds for inadmissibility to Canada.

The member for Calgary Northeast tells us in Commons *Debates* of September 23, 1994 there is no need to debate his motion, that common sense should prevail and dictate the direction the government should take. The only sense revealed by the member may be common to him and his colleagues of the same ilk, but not common to those with analytical minds that seek the relationships between and among ideas, concepts, facts, events and other dynamic phenomena that assist one in a search for truth.

It is true the Immigration Act requires that visitors and immigrants meet two medically related criteria before being allowed into Canada. The first states that immigrants must not represent a danger to public health or safety. The second states that their admission must not cause excessive demands on Canada's health and social service systems.

To meet these criteria, applicants for immigration are medically examined according to a standard format used worldwide. This medical examination depends on a complete medical history, a complete physical examination, a urine test for applicants five years and older, a chest X–ray for those over 10 years old, and a syphilis blood test for those 15 years and older.

The blood test for syphilis is the only test performed for one specific disease. The X–ray, in turn, may detect a variety of possible ailments such as heart abnormalities, tumours and tuberculosis.

Although there is an attempt to consistently adhere to established procedures, variations in testing will always exist from country to country, from doctor to doctor, depending on expertise and resources available.

It must be noted that immigrants are not routinely tested for HIV. However, during the course of any routine examination the doctor may decide to order further specific tests. At times, if the initial medical assessment indicates symptoms compatible to HIV–AIDS or if the client falls within a high risk group, the doctor may proceed with an HIV test.

In the recent past, several applicants have been refused admission due to the advanced state of their disease. Most of these people were classified as inadmissible to Canada based on the excessive demand criterion and not a declaration that they were risks to public health.

HIV infection and AIDS are not contagious like diseases such as tuberculosis. AIDS and HIV can only be transmitted by specific high risk activities such as injected drug use or unsafe sexual practices, not through casual contact. Therefore, a Canadian resident who is willing to engage in high risk activity with a visitor or immigrant is as likely to engage in a similar activity with another Canadian. The risk of HIV infection comes not from the presence of foreigners but the practice of specific behaviour.

The best defence against the spread of HIV, whether from a Canadian or from a foreigner, is an educated population. It is not a surprise therefore that many organizations such as the Canadian Public Health Association, the Canadian Hemophilia Society, the Canadian Red Cross, the European Parliament, the British Medical Association, to name just a few, all support the view that visitors do not represent a danger to public health.

In January 1991 a discussion paper prepared by Employment and Immigration Canada as part of its review of medical inadmissibility criteria in the Immigration Act stated:

• (1115)

"At the present time Health and Welfare Canada does not consider persons with HIV–AIDS per se as a danger to public health or safety. HIV–AIDS is not considered a dangerous infectious disease, but rather a chronic disease like cancer or heart disease".

The scientific community has argued that allowing a person with HIV into Canada does not pose a threat to the health and safety of Canadians, a position endorsed by the Government of Canada.

In April 1991 the then minister of health and welfare, Perrin Beatty, announced in Vancouver: "Our expert advisory committee concluded AIDS and HIV are not a threat to public health during short term travel to Canada. I am pleased to announce that we have revised the guidelines for our medical officers. We will ensure that visitors with AIDS or HIV infection will be treated in exactly the same manner as any other visitor to Canada".

The government's position was reinforced further by the hon. Minister of Citizenship and Immigration when he stated: "It is the policy of this government that persons with HIV–AIDS do not generally represent a danger to the public. Our main concern is with respect to excessive demands on the health care system". These statements are contained in a letter addressed to the Canadian AIDS Society dated August 3, 1994.

In dealing with the second health related criterion, that of excessive demand, there will be little concern with those visiting Canada for a short period of time, no concern because they would not qualify for health service and most visitors would be carrying their own health protection plans. The excessive demand criterion would be invoked when there is a reason to believe that the applicant would require medical treatment while in Canada.

In the case of immigrants, it would be inappropriate to institute a blanket exclusion of persons with HIV. The Canadian Human Rights Commission states that comprehensive individual assessments must be the main tool for determining eligibility, and lumping individuals into groups or broad categories is discriminatory.

In assessing whether an immigrant with HIV would place excessive demand on Canada's health care and social services system many factors need to be taken into consideration. These include whether the person is ill, and the person's potential contributions to Canadian society.

We know that some people have been infected with HIV for at least 12 years and still do not show signs of illness. We do not know whether everyone with HIV will go on to develop AIDS. How can we refuse to allow a person to immigrate on the grounds that he or she might become ill? Even those who have some signs of illness can still make a significant contribution to Canadian society.

Current Canadian immigration policy focuses too much on a person's disability and fails to take into account his or her ability to contribute to society. Each case must be judged on its merits.

The hon. Minister of Citizenship and Immigration states: "It is the policy of this government that persons living with HIV–AIDS not be singled out for immigration purposes. I would like to assure you that I and the officials of citizenship and immigration will do our utmost to ensure that persons living with HIV–AIDS are treated with the same respect and concern for rights as any other visitor to Canada".

The current Immigration Act requires that persons seeking admission to Canada as visitors or as immigrants be subject to standards of admission that do not discriminate in a manner which would be prohibited by the Canadian Charter of Rights and Freedoms. Section 15 of the charter dictates: "Every individual is equal before and under the law without discrimination and in particular without discrimination based on physical disability".

Canada has traditionally taken a leadership role in recognizing human rights and extending a helping hand to those in need. I am sure the member for Calgary Northeast would be proud and so would his party members in seeing Canada continuing with these honourable, worldly aspirations.

• (1120)

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, before I begin my speech let me say that I am absolutely and thoroughly appalled at the statements that have been made in this House on this motion. It reflects an absolute and profound lack of understanding of the disease and more important, a lack of understanding and consideration for the health and welfare of Canadian citizens.

This is obviously a politically protected disease. We feel sorry for anybody who is HIV positive and has AIDS. But let it be known that we cannot compromise the health and welfare of Canadians.

In any event, I rise today in support of my esteemed colleague's Motion No. 285 to screen all immigrants for HIV under sections 11(1) and 11(3) of our Immigration Act.

It is not pleasurable to speak about this topic, a modern plague that up to 1993 has claimed 9,910 adult cases including 107 pediatric cases. Of these, 6,930 people have been killed. It is a disease that is as horrific as any fatal illness, particularly so since the individuals who have it are in the prime of their lives. They usually succumb between the ages of 25 and 45, a period that is most productive, with a major part of their lives still remaining.

I have had numerous patients in the past with this terrible disease. I can say from a personal factor that it has been a sobering and profoundly tragic experience to deal with these individuals, particularly in my age group when these individuals are dying before me.

You cannot cure them. All you can give to them is palliative treatment and treat their intercurrent illnesses. To see them waste away is a horrible thing. I encourage those here who have contact with anybody who has AIDS to get to know them and understand the profound pain, agony and anguish they and their families endure.

Equally tragic is to deal with the survivors who are left behind, the family and friends who have to pick up the pieces after their loved ones die. No kind words or understanding can ever fill the void that is left behind from the death of a loved one. It is impossible to fathom or quantify this loss in any terms whatsoever.

My friend has brought this motion forward, not because we are against people who are HIV positive and not because we are against people who have AIDS, the physical manifestations of having the virus. He brought it forward because we are public servants and we are compelled and obligated as elected representatives of this country to protect its people and to enact legislation along these lines. We do this especially for diseases or events that are going to be of great harm to them.

There is no question that HIV positively leads to AIDS and AIDS kills. If any member does not believe this, if a doctor said you were HIV positive, look into your hearts and see what you would feel. Therefore we do this in the name of public safety for all Canadians.

I should mention that we already protect the health and welfare of Canadians in a number of forms. We test drugs and therapeutic modalities in health to ensure they are safe. There is the checking of blood products which has caused so much consternation of late. There is the checking of products that are sold over the counter to ensure they are safe for public use and the checking of food stocks, both local and imported. Immigrants to this country are checked for a number of illnesses, including tuberculosis and syphilis, diseases that are generally not fatal, diseases that are cheap to treat and are curable, unlike AIDS.

Why is there such a vocal opposition to my friend's motion? The disease is pandemic, which means it covers the entire planet. It is universally fatal. It is incurable and it costs money. It costs a lot of money. Every patient who is deemed HIV positive will ultimately cost the taxpayer at least $100,000 per year. This does not take into consideration the very important factor of potential years of life lost for these people.

• (1125)

Between 1987 and 1991 the potential years of life lost for men rose from 17,650 years to almost 40,000 years. Why is there such a backlash against something that we believe is so fundamentally necessary for the protection of Canadians? Why is there so much opposition to this?

The reason is that it is not an opposition by the majority of Canadians. At least 77 per cent of people in recent polls are strongly in favour of immigrants being tested for HIV positive. The reason for this vocal opposition is that it comes from very small groups, small in number but loud in voice. These groups do not represent the majority of people in this country and are admittedly there for their own interests. They believe that people coming to this country if tested positive for HIV, would have a stigma attached to them, that they would be discriminated against.

Fortunately for the Canadian public and perhaps tragically for them, they would not be allowed into this country. This is not something personal. This is something we are going to enact for the betterment and the health and welfare of Canadian people. The individuals who are HIV positive or who subsequently develop AIDS deserve our sympathy and compassion, but it does not mean we have to subject Canadian people to exposure to this illness which is fatal 100 per cent of the time.

We can argue this on purely moral grounds, but another compelling reason is the cost. Unlike what my colleague mentioned earlier in the day that she does not believe it would cost more to the Canadian taxpayer, any health professional in this country would tell you that it is expensive to treat somebody who is HIV positive.

They do have a series of blood tests that are used to monitor a subsection of their lymphocyte count and we give them medications to prevent intercurrent illnesses. Due to better drugs and better treatment modalities and prophylactic treatments we can use this material to lengthen people's lives. This actually increases the cost to our health system, one that I would say is falling apart at the seams, one that does not have any money. These costs are not inconsequential. As my esteemed colleague across the way mentioned, we are going to have 30,000 more people with AIDS. How much is this going to cost the Canadian taxpayer? Three billion dollars.

Our health care system right now is falling apart. Waiting lists are increasing. Hospital beds are closing. People are dying on waiting lists. From her own province alone she has tens of thousands of people on waiting lists, hundreds of whom are waiting for urgent surgery. If more people are let in to add to the overall cost burden to our health system, those Canadian citizens will not get the treatment they deserve.

Is this threat from HIV real or is it imagined? Let us look at some areas of the world. As I said before, it is a pandemic. In certain areas of Africa where I have worked the HIV positivity rate is 30 per cent or more. In south east Asia there has been an explosion of HIV positivity. What a tragedy for those countries, but does it mean that we need to bring this tragedy to our door, bring it to this country and expose Canadian citizens to it?

The World Health Organization says that AIDS is a pandemic and that it will continue well into the 21st century. I quote the WHO's AIDS program director: "There is far worse to come as millions of infected people will fall ill and die".

There is no breakthrough and I do not think one is imminent. If the HIV epidemic continues to expand at this rate on the Asian continent, we will soon see more Asians infected with HIV than in Africa where there is an explosion of HIV positivity. If this is not a problem, if this disease is not infectious, if this disease does not kill, then why is the WHO so concerned about it?

• (1130)

In conclusion, this is not a diatribe against people who have HIV. This is not a diatribe against people who have AIDS, drug abusers, homosexuals, hemophiliacs or any other unfortunate person who has been infected with the disease. These people deserve the deepest sympathy and compassion which everybody from my side of the floor extends to them. As I said before, a far more important concern for us is to ensure the health, welfare and safety of Canadians.

That is the reason for the motion of my friend. Anyone who does not support it is sticking his or her head in the sand and severely compromising the health and welfare of Canadians.

**Mr. Gar Knutson (Elgin—Norfolk, Lib.):** Mr. Speaker, let me respond to a few of the comments of the hon. member from the other side.

First he attacked our motives. He said that we were merely being pulled along by some minority group. The government has announced that it is reviewing its policy on testing for HIV so I think the member who has introduced the motion should take some comfort in it.

The reason we are opposing the private member's motion today is that we want to give the government time to review the bill and make a decision. Once the government makes its decision perhaps we can have a more focused and more productive debate.

I acknowledge as much as anyone that HIV leads to AIDS and AIDS is deadly. Out of my high school graduating class of 55 people, 3 are dead from AIDS. One of them happened to be a very close friend. I do not think that anyone from that side of the House or this side of the House has the right to say that we obviously do not care, that we are sticking our heads in the sand, or to make any other personal comment.

Canadians recognize that AIDS is deadly and that it kills, but too often the debate gets mixed into other issues. Too often it gets thrown into an intolerance toward certain communities in our country. Too often it gets mixed into homophobic groups, groups that say that AIDS is a plague on the homosexual community because God is bringing down his wrath. It is that kind of thing we want to avoid. We want to have a reasonable, high quality debate based on the facts.

An uninformed decision by the House would accomplish very little. As I have said, the government is currently reviewing the extensive information we have on HIV and will be announcing its decision soon. Our decisions will appropriately reflect concerns for public health demand on the health care system, social justice and economic matters that concern us today.

We must not aggravate public misunderstanding about HIV. Too many people think one can get HIV and AIDS through casual contact. Too many people think one get it by shaking hands when in fact one can only get it through the transmission of certain body fluids, more specifically blood and semen.

We must take care to dispassionately analyse and reflect on the issues that are too often fraught with prejudice and discrimination. It is also incorrect to say that AIDS can be transmitted by simple contact. Too many people think we should not even allow visitors into the country who have AIDS. Last year for example, there was a forum on AIDS in Vancouver and certain members of the House said that we should not let these people in because they were a risk to Canadians.

In short, we must avoid being stampeded into adopting a policy based more on fear than on fact, fear that is often based on misunderstanding, misinformation and ignorance. Public misunderstanding could direct a misunderstanding toward immigrants even though immigrants are no more likely to test HIV positive than native born residents.

My friends from the other side have indicated there are certain places in the world that have an epidemic of AIDS. Certainly it is clear given the current policy that even in those places we would test for HIV and AIDS.

**Mr. Hanger:** But you are not.

**Mr. Mills (Red Deer):** You are not.

**Mr. Knutson:** We are. Check the facts. It would merely foster the kind of misunderstanding and fear about HIV that we should be working to overcome.

The government recognizes Canadians' concerns about HIV and HIV testing for immigrants. We are addressing these concerns in the most constructive way possible, by conducting a thorough review of all medical testing with the benefit of the best expert advice and of consultations. When the review is complete the government will take whatever action is necessary to protect the health and safety of Canadians and to preserve the integrity of our health and social services.

• (1135)

HIV testing takes place now under certain circumstances. Under current guidelines immigrant applicants found to be HIV positive may be deemed to be medically inadmissible. Those grounds for refusing admission are based on the consequences, the impact admitting a particular person would have on Canada, whatever the person's specific medical condition.

Medical opinion does agree on the fact that a person with HIV does not represent a threat to public health or safety merely because of the infection. In other words the persons must involve themselves in a high risk activity, which normally means unsafe sex.

Refusing admission to applicants with HIV would have to be based on any excessive demand they might place on our health care system or social services. The act and regulations do not require medical officers to test for HIV. They are authorized however, to do so if they have reason to suspect an infection. As it stands now testing for HIV does take place when there is reason to do so. We must ask the question: Are the current guidelines working to protect the Canadian health care system from excessive demands?

In conclusion let me say that the government is reviewing the matter. Let us wait for the government's decision and then we can have a more focused and more productive debate.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I speak in support of the motion to regulate testing of all applicants for immigration for HIV–AIDS.

Today I would like to talk about a potentially massive health care problem which could be easily averted if we as parliamentarians take action. The problem is the entrance into Canada of HIV or AIDS infected immigrants. We are talking about immigrants, not visitors.

AIDS is a relatively new phenomenon in comparison with other diseases. The term has only entered the vocabulary of most Canadians over the past decade. Public awareness of the disease is still far less than it should be. Consequently there has often been a lag in the response of governments and institutions in dealing with the problem. We are aware that AIDS is only communicated in certain instances, not by casual contact. This is a situation which we must rectify today.

What is proposed is mandatory HIV–AIDS testing for all new immigrants to Canada. There is a great deal of logic and common sense to the proposal. I believe the action would be supported by a substantial majority of the Canadian public.

The facts are simple. The treatment of patients infected with the HIV virus and AIDS is an enormously expensive undertaking. Despite the millions of dollars spent on research, at this time there appears to be very little hope for a cure or even an effective vaccine. Those who study AIDS continue to advocate prevention as the best line of defence.

The motion could play a key role in reducing the number of Canadians who would otherwise be infected by the disease. HIV and AIDS infection is spreading rapidly across the world. These are the current numbers: by mid–1994 approximately 986,000 cases of aids have been reported. However, as the World Health Organization has noted, several factors suggest this is only a small part of a larger total. Many countries were slow to admit they have an AIDS problem and to move to set up systematic surveillance and reporting.

In areas where expertise and blood testing facilities are lacking it may be difficult to differentiate AIDS from other common diseases. In remote parts of the developing world many people fall ill and die without ever coming into contact with modern health services. Given these factors the World Health Organization believes the number of people to be infected with AIDS is much higher. The WHO estimates that by early 1994 more than three million cases of aids have actually occurred, including over 500,000 infants born to HIV infected women.

Some may argue that three million cases in a world population of over five billion does not represent a major health crisis, but the number of AIDS cases is actually a small part of a much larger problem. AIDS is the late stage of infection by a virus that can take more than a decade to cause illness.

• (1140 )

The real measure of the scope of the epidemic is the number of people infected with HIV. The World Health Organization estimates there are more than 15 million people worldwide, including more than a million children infected with the virus. By the year 2000 if conservative forecasts prove correct, the cumulative total of HIV infections may reach 30 million to 40 million and the number of AIDS cases, more than 10 million.

A World Health Organization publication entitled "AIDS, Images of the Epidemic" notes the need for proper surveillance for better understanding of the disease. It notes that the most convenient approach to surveillance is to locate it in the health care system and test people who come in for care.

I believe the motion being put forward today is very much in the spirit of that recommendation. Canada already has in place the means to impose HIV–AIDS testing on immigrant applicants. These powers are contained in subsection 19(1) of the Immigration Act.

Canada has a long history of facing the challenge of infectious and lethal diseases brought to our country by immigrants and newcomers. For example, the forced quarantine of European immigrants for cholera and typhoid on the Quebec island of Grosse–Île is well documented. The island is now considered to be part of Canadian history and was recently visited by Irish President Mary Robinson because of its significance. Although Grosse–Île was at times a place of death and great suffering, it served the purpose of protecting the Canadian population as a whole from infection by these terrible diseases. It was the guiding principle then and it must remain the guiding principle for our immigration officials today.

Members of Parliament are accountable to the people they were elected to serve. Too often as members we hear stories of how the system failed. Sometimes it is a case of a criminal being paroled to offend a second time. Other times it is a case of a deportation order not being followed through and a policeman being murdered as a result.

If we do not follow through on the motion being discussed today, I believe one day the government will have to account to victims and friends and families of victims who contracted the disease through government inaction.

Why must we allow this to happen? Why is it that so often the government and governments like it must wait to be confronted by the victims before they make changes to policies? It is not unduly cruel to deny HIV and AIDS sufferers entrance to the country if it will prevent even one Canadian from contracting the disease. Persons infected with HIV and AIDS clearly, in the words of the Immigration Act, are or are likely to be a danger to public health or public safety. Something must be done.

Protection of the public is not the only criterion for denying individuals infected with AIDS or HIV the right to immigrate to Canada. The second part of the act takes into consideration another important component of any discussion of health care and that issue is cost. The act recognizes it should not be a priority of government to admit to the country those who will be a burden on the Canadian health care system.

Clearly immigrants infected with HIV or AIDS would be a source of excessive demand on the Canadian health care system. The disease is as expensive to treat as it is inexpensive to prevent. Recent figures from the United States show the average cost of treating a person with AIDS was $32,000 a year and the annual cost of treating a person with HIV but not AIDS was estimated at $5,150 a year. In 1991 the cost of HIV and AIDS care in the United States was estimated at $5.8 billion, including $4.4 billion for people with AIDS and $1.4 billion for HIV infected persons without AIDS.

In Canada some figures have shown the cost per year for persons infected with AIDS is $33,900. Our health care system is already overburdened and many Canadians have been forced on to waiting lists because of funding cutbacks. I call on the government not to aggravate the problem further by allowing immigrants with a terminal contagious disease into the country.

There are other factors to consider. Canada's taxpayer funded health care system is available to all citizens who want to use it. This is not the case for most other countries. It is conceivable that individuals knowingly infected with this virus could come to Canada because we have a publicly funded and accessible health care system. Our system may even be desirable to U.S. residents suffering from the disease, millions of whom have no health care insurance.

I would also like to note at this point that the United States already tests applicants for legal immigration to that country for AIDS and HIV.

In conclusion, a battery of blood tests is already part of the standard medical examination that is mandatory for all immigrants. Adding HIV will not substantially increase the cost of examinations, most of which are user pay. The cost of an HIV–AIDS test is $12, approximately one–third the cost of a test for tuberculosis. There is no good reason not to test for and exclude immigrant applicants with HIV since those with other untreatable or serious communicable diseases are already subject to exclusion.

• (1145)

[*Translation*]

**Mrs. Eleni Bakopanos (Saint–Denis, Lib.):** Mr. Speaker, at the risk of disappointing my hon. colleague, I would like to point out that he is not the first one to deal with the issue which he is bringing to our attention today.

[*English*]

The government has already begun a review of the issue of inadmissibility on medical grounds. Indeed, the review was long overdue. The last time immigration legislation concerning medical inadmissibility was reviewed was in 1978. It obviously needs to be updated. There we agree.

The scope of the review goes well beyond the question of HIV testing of potential immigrants.

[*Translation*]

Although it is an important part of the problem, it is only one aspect among others. Indeed, the situation is much more complex than it seems. We are now reviewing the whole issue of inadmissibility for medical reasons. The provinces and interested non–governmental organizations have already been consulted about some recommendations arising from this review.

You must understand that routine examinations go back way before AIDS appeared. The nature of the tests has evolved as technology progressed, so it is necessary to say what specific examinations prospective immigrants should now undergo.

In particular, the effectiveness of routine examinations to discover diseases that threaten Canadians' health or to identify people whose health would impose an excessive burden on our social or health systems is being reviewed.

[*English*]

It is important to point out that medical experts all say that AIDS does not threaten the health of Canadians because it is not an illness that can be transmitted by casual contact and because it can be prevented. As things stand now, if there are clinical signs during medical examination to suggest that a person may be infected by HIV or even has AIDS, that person is obliged to undergo a screening test.

[*Translation*]

If they refuse, they cannot be admitted to Canada because they did not take the required medical examinations. In this case, the screening test is intended to determine whether treating the disease at its present stage would be an excessive burden for our social or health services. That is why someone with this disease may be refused admission to Canada; it is not because of the nature of the disease.

[*English*]

One might ask why these people should be treated any differently from those who are afflicted with some other chronic illness, for example those who suffer from kidney failure or cancer. These illnesses too can impose demands on our health care system.

Research on the progression and treatment of AIDS is ongoing. People diagnosed as sero–positive can now expect to live much longer than they could even 10 years ago. Even if they test HIV positive many can continue contributing to Canadian society for many years.

[*Translation*]

Furthermore, we must also reconcile our economic and social interests with our humanitarian commitments. Of course we must continue to be vigilant, but we must also see that we maintain Canada's traditions of fairness and compassion. In its red book, our government committed itself to continuing to apply a dynamic immigration policy that reconciles humanitarian considerations with our demographic and economic needs.

Requiring prospective immigrants to take an HIV screening test may seem a simple matter at first glance, but that is far from the case.

• (1150)

We cannot and must not consider it apart from the other problems it raises. This issue must be approached in a much wider context, in which we take account of developments in the medical tests used, the concept of excessive burden for Canada's social and health systems, the nature of the treatment for this disease, the contribution of sero–positive people to our society and Canada's long humanitarian tradition. My hon. colleague will admit that these are important considerations which we cannot ignore.

[*English*]

My colleagues and I on this side of the House appreciate the concerns hon. members have expressed about not imposing an excessive burden on our country's social and health services. We must take care to dispassionately analyse and reflect on issues that are too often fraught with prejudice and discrimination—I repeat what my hon. colleague on this side of the House said—and avoid being stampeded into adopting a policy that is based more on fear than on fact and more on economic considerations rather than humanitarian concerns, which is not the Canadian way.

We care about humanity. We have to be cautious when we adopt certain policies and laws that this aspect is also taken into consideration. Our laws and institutions must reflect the progress we have made in terms of our attitudes toward diseases in general. It is the government's responsibility to show leadership. We have done that by undertaking a review of the issue of inadmissibility on medical grounds.

I hope the hon. member will reconsider his motion.

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, I have a few things to say after listening to the debate. I am really curious as to what is the hang–up on the other side of the House with regard to AIDS testing.

I heard that AIDS testing is undertaken. It is not undertaken on a consistent basis at all.

I heard that we should be a humanitarian country. I presume that means allowing immigrants to come into our country that are HIV infected. I totally disagree with that philosophy and I am sure most Canadians do as well.

We have to get down to the meat of the issue. The fact is that AIDS is a serious situation throughout the world. Why introduce more of that serious situation into Canada when we can prevent it to some extent by testing for AIDS prior to immigrants coming into the country? That seems so logical, so simple, it is actually missing the minds of the Liberals. Sometimes that happens. Logical, simple, practical things do tend to miss their support.

I want to support very much my colleague's motion to have all immigrants tested for the HIV virus. The reasons for this need are clear. They are not related to phobias. They are not related to prejudice. They are related to a more important fact and that is the innocent individual who contracts such a virus by knowingly allowing that virus to come into the country.

The hard facts are that we live in a world where we are faced with harsh realities, of which HIV infection and AIDS are two of the major ones. We especially need to address the question on how seriously is the government treating the AIDS question in light of the serious nature of the disease and the great economic factors associated with it.

We are told we should not support this private member's motion because the government is going to assess this once again. It is going to research. It is going to document. It is going to think about it. We are getting so sick and tired of hearing that kind of thing from the Liberal government. What we want is action. This private member's motion will go a long way in doing something positive for this situation.

• (1155)

It just escapes me how the government can take a problem and defer it to the future by saying: "We will look at it". Never in the history of governance in the country have I heard that so much as in the last year and few months. It is shameful really. This is not a time for being passive but for firm action. It is a call for action that has been shouted from many different sectors within our society.

It is especially necessary that we look into this matter from the perspective of those who are dealing with the spread and consequences of the disease on a daily basis, not from the perspective of those who come to Ottawa from other parts of the country and debate and debate and debate. Let us get down to where the action really is, where the people are being infected by this virus.

Dr. Don Sutherland in his letter of introduction to recipients of the "Quarterly Surveillance Update: AIDS in Canada" dated May 2, 1994 states that the statistics continue to emphasize the point that the AIDS epidemic continues to increase except in those persons infected through blood and blood products where the trend is declining. By the end of 1993 it is estimated that 14,000 persons had developed aids in Canada since the onset of the epidemic.

Dr. Sutherland uses the term epidemic which according to the dictionary means "the rapid spreading of a disease". The present Liberal government appears to treat the epidemic as a mere inconvenience which can be overlooked in the area of immigration. That is really what is happening here.

This is such a serious issue but so many things get cloaked in this country under immigration. The Reform Party must be anti–immigration because it is concerned about convicts coming into the country. It is concerned about testing for AIDS.

In my riding just a short time ago a young lady was raped by an illegal refugee. She spent six months waiting for the results of an HIV test while this individual basically ignored the whole situation. Had we originally tested that particular individual on coming into the country, she would not have had to go through that six months of torture, unfortunate as it was.

One does not have to look far to see just how serious an epidemic in AIDS and HIV infection are considered by Canadians. In an article from the November 10, 1993 *Globe and Mail*, we read about how the disease has taken over the lives of over 1,000 people a year in Canada. Can members imagine? That is 1,000 people a year in 1994 when five years ago this was really hardly even noticed.

Epidemiologists expect an even greater number succumbed to AIDS in 1993. Dr. Martin Schecter, an epidemiologist at UBC in my home province is still concerned about the current spread of the disease. He says: "The signals we are getting are troubling. I think HIV is relentlessly spreading".

With all these kinds of comments coming from the experts in the field of HIV, I am perplexed why the government would not say: "Yes, we know it is a serious problem. Yes, we can stop a part of the spread of that problem right now by adopting a private member's motion that sits before the House".

Because a private members' motion on HIV testing of immigrants is put to the House by the Reform Party is no real reason to get into political rhetoric, to turn it down. What has to be looked at here is how important is that private member's motion to society in general. Forget the Liberal Party rhetoric.

Dr. Martin Schecter estimated that between 35,000 and 40,000 Canadians have been infected by the AIDS virus since the disease was first diagnosed. Even more sobering is the September 11, 1993 article from the Vancouver *Sun*.

• (1200)

Here is an excerpt from the article: "AIDS robs Vancouver men under the age of 75 of more years of potential life than do cancer, heart disease and accidents, according to a team of Vancouver researchers. In 1992 alone AIDS cost Vancouver men about 6,000 years of life, 50 per cent more than each of the other three major causes of death". Even more disturbing were the chilling comments by demographer Robert Hogg who said in his team's findings: "If I had told somebody last year, nobody would have believed me".

In the minute I have left I want to appeal to this Liberal government to get away from the rhetoric, get away from the partisan politics, get away from the study. We will look at this a little later. Get into the meat of my colleague's private member's

motion. That is what we are here for, the protection of the lives and the property of Canadian citizens.

If there are immigrants coming into this country with the HIV virus, then this government has an obligation to test them. It has an obligation to the citizens of this country. I urge members to get away from this rhetoric and partisan politics and support my colleague's bill.

**The Acting Speaker (Mr. Kilger):** The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

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## WAYS AND MEANS

### WORLD TRADE ORGANIZATION

**Hon. Alfonso Gagliano (for the Secretary of State for International Financial Institutions)** moved that a ways and means motion relating to the implementation of the agreement establishing the World Trade Organization, laid upon the table on Thursday, October 20, 1994, be concurred in.

(Motion agreed to.)

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# GOVERNMENT ORDERS

[*English*]

## SOCIAL SECURITY PROGRAMS

The House resumed from October 7 consideration of the motion.

**Mr. George Proud (Hillsborough, Lib.):** Mr. Speaker, it is a pleasure for me to participate in this important debate today.

I can honestly say that during my time in this House and in other Houses in other jurisdictions social reform policy is one of the most important issues I have debated. We have known for a long time that this situation was coming to a head. It is now time, as is often said, to cross the proverbial bridge. I speak for myself and for others in saying how pleased we are that we have a person of the calibre and the social conscience of the minister heading up the question of social security reform in this country.

Canadians are aware now and have been for some time that our social security system must be changed. We have come through a difficult economic period over the past number of years, fueled by recession and high rates of unemployment. High unemployment has caused a tremendous strain on Canada and has presented new and difficult challenges. As I said earlier, we are fortunate to have a person in place who is strong enough in his convictions to address these challenges.

We have reached this point only after having consulted Canadians. As we know last year the Standing Committee on Human Resources Development held hearings across the country to seek the opinions of those who would be affected by changes in the social safety net. They were told that there are disincentives built into the present system and that those who need help the most simply are not getting the assistance they require.

All Canadians know at this time that change is inevitable. The difference with the change that this government will bring about is the heart and the compassion that will be shown for the average citizen of Canada. The weakest and those least able to defend themselves will be protected by any change initiated by this government. The deficit will not be fought on the backs of the poor.

• (1205)

We have heard a lot over the last few years about the global village and the new world economy and how we must be trained to face a changing economic situation around the world. That is why this is not a hack, slash and burn economic recommendation but rather a constructive reform which will help Canadians get back to work.

It is an accepted fact that training and education are the keys to economic development. We must see that Canadians are trained in the most efficient and most effective manner. The money that is to be spent on education must be directed toward those people who need it the most. The people who come out the other end of the system as graduates must be trained second to none because they are competing with people from around the world and must be prepared to do that.

In the last three years as statistics show, 17 per cent more jobs were available for university students but there were 19 per cent fewer jobs for those who did not complete high school. That says it all: education equals opportunity. We must educate more people and we must provide better access to education and training throughout their lives.

We in the part of the country that I come from believe that if we have trained people we are better able to attract enterprises to our area of the country because these companies by and large are looking for a stable, well trained workforce.

At the present time the federal government is providing more than $8 billion a year to post–secondary education across Canada. The time has come to sit down and ask ourselves if we are doing this in the most appropriate manner. Under the current arrangement if the status quo were continued the cash portion of the federal contribution to education would decrease proportionately and could disappear within 10 years. Therefore we must find ways to help more people finance their higher education so that they will be prepared to compete on a worldwide basis.

We believe that investment in learning makes good economic sense but we must deliver the training to our people in the most efficient and effective manner possible. We must therefore ensure that access is available to all young people regardless of their economic situation.

As I am sure others in this House did last year during the election campaign, I visited learning institutions in my riding. Students in my riding indicated they were not satisfied with the arrangements that are there now for student loans. They want changes made to the system. Proposals are out now. I say to those students in my riding and others: Tell us what you think of them, come forward with different and better ideas and we will certainly look at them.

The other item in the minister's statement that has caught the most attention especially in the part of the country I come from is with respect to the unemployment insurance program. It is a chilling fact to think that 13 per cent of people have been out of work for a year or more. That is three times the level of long term unemployment that this country suffered in 1976. Forty per cent of claimants have claimed for unemployment benefits at least three times in the last five years. This indicates that we do have a problem.

Coming from a region that has a high rate of unemployment I can assure my fellow members of Parliament that those who are on the unemployment treadmill are not there by choice. They are there because of the economy and because the level of training does not permit them to have jobs year round. We must continue to look at these people who form our greatest asset in the diverse regions of this country. We must provide them with the basic skills necessary to be employable year round.

I believe there is some responsibility for government through economic or trade policies to see that the opportunities are afforded to Canadians wherever they live.

I am glad to say that the minister has appointed a working group to study the effects of unemployment insurance in areas of the country where seasonal work is the dominant work. In the province I come from 50 per cent of the workforce has seasonal jobs. This is part of our history. This is the way tourism, agriculture and the fishery industry work, on a seasonal basis.

• (1210)

The discussion paper released by the Minister of Human Resources Development asked Canadians how we can address these problems in a spirit of co–operation and compassion. This government is not interested in fighting the deficit on the backs of the poor and the unemployed. Nor is it interested in the system collapsing, serving no one.

As I mentioned earlier, this is a time of great challenge. It is a time that challenges government. It challenges members of Parliament and it challenges the people of the country. We are not arrogant enough to believe we are the only ones who can meet these challenges. Canadians know what is in their best interests. Between now and January the human resources committee and individual members of Parliament will be talking to Canadians, seeking their advice.

The discussion paper is a road map from St. John's to Vancouver. Through our consultations Canadians will tell us how to get from where we are to where we want to be. This exercise is about finding better ways of doing things. What worked fine in the sixties and seventies is no longer working properly. In fiscal times such as these it is possible to do better with less. By working with all Canadians this government will deliver what it promised during the election: a vibrant, prosperous economy and a country where the needs for social programs will decline.

**The Acting Speaker (Mr. Kilger):** Questions or comments? Debate. Before the hon. member for Malpeque begins I want to be assured that the time is being split with 10 minutes of speech and 5 minutes questions or comments.

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I welcome the opportunity to speak on social security reform in the early stages of this debate.

The document prepared by the Minister of Human Resources Development will lead to future policy and legislation. I believe this issue is one of the most important decisions this government will make in its term in office. I must emphasize that social security reform cannot be looked upon in isolation of other programs and other activities like economic development and tax reform. What will happen in those areas directly relates to the issues of social policy reform.

As an example of what should not happen I would like to turn for a moment to look at what happened in the United States during President Reagan's term. It is dealt with extensively in a book by John Kenneth Galbraith, *A Journey Through Economic Time*. I encourage members to get that book and read it. There are a lot good comments in it in terms of what not to do in people's interests in the economy. I quote from Mr. Galbraith in his book:

> For aid to the rich—the large reductions in marginal tax rates in 1981—the Reagan cover was a declared need to stimulate more energy, initiative and investment. Effort by the already well endowed was being inhibited because of the high marginal rates.

He goes on to explain how great tax advantages were given to the rich by the Reagan administration. On the other hand, for those less well off financially he says:

> Similar and perhaps more successful was the position as regards help to the poor. Here income, indeed assistance in almost any form, was held to be damaging to character, initiative and effort and thus to the well–being of the impoverished. As the rich needed the incentive of more money, so the poor needed the incentive of less.

This was according to President Reagan's principles of economic development. That is something we want to avoid and which I am sure this government wants to avoid in our discussions leading up to social security reform and to economic reform in this country.

• (1215)

This issue will be of fundamental importance to us in Prince Edward Island and our ability on Prince Edward Island and in my riding of Malpeque to produce and prosper. I cannot emphasize enough the need for people to become informed, to understand the options and to become involved in offering alternatives. I encourage people to get the discussion document put out by the minister's office and to look at the facts, not some of the criticism or some of the assumptions they may see in the media.

This proposal on social security reform will affect my province of Prince Edward Island, either positively or negatively, probably more than any other province given the structure of our economy. It is my hope that everyone thinks through the implications on an individual basis, on a labour basis, on an employer basis, how it affects students and how it affects the economy as a whole.

With the foregoing in mind, I held a public meeting in my riding to try and lay out those facts in as straightforward a way as I could. I will give the results of that meeting in a moment. I did that because I felt that communities and interest groups must prepare themselves for the standing committee that is to follow and hear their points of view in a concrete, constructive way.

As I said at the beginning of that meeting, I want to be very clear. Changes are going to be made. For us to argue to maintain the status quo or the system exactly as it is is not even in the cards. It is not a winnable argument. We have to understand that. In understanding that we have to be a part of the process; we have to become involved as communities and as people within communities in a very constructive way.

I want to relate some of the points I raised at the public meeting. Some of them are critical of our position. We accept that criticism because out of constructive criticism will come good debate and at the end of the day will come better solutions.

I encouraged public participation in the meeting. It was very high and quite vocal. My constituents realize that changes are needed. However, they feel that at the moment the changes are directed solely at one group of people, the less wealthy in society. Let me expand on what my constituents told me at that meeting.

First, the government continues to say that too much is spent on social programs and cuts are needed, yet no one wants to admit that we in Canada do not have a fair taxation system. It is the middle class that pays 58 per cent of all taxes, while businesses and corporations pay less than 15 per cent.

Second, they said there exist massive tax loopholes that allow corporations and wealthy individuals of Canada to escape paying their fair share. At least that is the perception. These loopholes are subsidies and tax expenditures, thus costing the government a loss of revenues.

Third, they indicated that the government is looking at social reform in a one dimensional manner. Before programs are cut the government must take action in reforming taxation. The deficit cannot be put solely on the backs of the middle class and the less wealthy. From my constituents' point of view that relates to the overall thrust of social security reform.

I do not accept that criticism in its entirety. We are intending as a government to look at tax reform and other areas as well and we must as we go down this road.

There was a considerable amount of discussion on education. A lot of concern was raised by students in terms of when they are finished university if the new approach is taken what kind of debt loads will they face. On that point we have a lot more work to do in the area of education.

• (1220)

On UI, people at the meeting said they believe the changes to UI will have the greatest negative impact. The impact will be greater in Prince Edward Island and the maritimes as a whole than in other areas of the country because of our seasonal industries.

The two leading industries in P.E.I. are agriculture and tourism. These two industries rely heavily on seasonal workers. Without the availability of seasonal help the employers within these industries will be lost in terms of operating their businesses. Seasonal workers play a tremendous part in allowing whole industries to be profitable. As my colleague from Hillsborough said a minute ago, we are pleased the Minister of Human Resources Development has now appointed a special committee to look at seasonal industries in light of the impending changes relative to UI.

If these changes are taken without careful consideration all that is simply going to occur is fewer people on UI and more on welfare, once again transferring the deficit on to the backs of poorer provinces. We cannot allow that to happen under these changes.

In the social security reform paper job training and retraining are talked about extensively. My constituents feel that skills retraining is a necessity however, it is only worthwhile if jobs exist in the sector they are being trained in. For example, there is little use training an out of place worker skilled in electronics if there exists a surplus of electricians. Before job training occurs we need to know in what areas there are going to be jobs. I want to re–emphasize the need to work in economic areas to try and ensure that the jobs will be there once people are trained.

Some of my constituents believe that the reform paper is really a plan to cut the deficit, a plan that puts our deficit on the backs of those who can least afford it. We cannot lose sight that Canada is a country which is built on the ideals of having a social program for all its citizens, for all to have a level playing field to succeed. I certainly countered that argument because the position of the discussion paper and other measures we are taking is to recognize that changes need to be made and they must be done in a very constructive way to see that ordinary people's needs are met.

I had an interesting experience the weekend before last when I was the only MP who attended a meeting of the Council of Canadians. At that meeting all MPs who sit in this House, particularly those on my side of the House, were under attack because of the social security reform. I stood at that meeting and asked those people how many of them had talked to us as MPs and very few raised their hands. That is what this debate is all about. It does no good for those groups out there that are attacking our discussion paper to talk to themselves. They have to get out to these hearings and put forward alternate proposals in a very constructive way. In that way we will listen.

In closing I want to quote from the Prime Minister's speech in Fredericton in which he indicated where we are really going on this issue: "We need a national debate on our options. We are looking for good ideas from the provinces, the private sector, the trade union movement and individual Canadians. When new legislation is introduced next year it will reflect what we have learned during that consultation process".

What is important is this consultation, this debate, so that at the end of the day we come up with a better social safety net than we currently have.

• (1225)

[*Translation*]

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, I listened with great interest to the comments made by the hon. member for Malpeque who was referring to critics he heard in his riding. Indeed, Prince Edward Island will be very affected by this social security reform, as it has already been by UI cuts. In fact, the same situation occurred in Quebec, and more particularly in my riding.

I am pleased that the hon. member is trying to find other ways to finance social security in Canada, particularly from a taxation point of view. I suggest he take a look at tax havens, which should be eliminated. As well, family trusts must be controlled. This is the only way to finance social programs. Our social programs must not be destroyed. It took a long time to build a social safety net in Canada; we must improve it, not eliminate it.

[*English*]

**Mr. Easter:** Mr. Speaker, I thank the member for his question and would agree. We have certainly talked about those very issues in the discussion on this side of the House within our party and within our caucus. We have to look at all the areas of taxation. We are concerned and we must be assured that there is some balance. A tax advantage to the wealthy is in effect a subsidy to the wealthy. I agree with that. I think there has to be balance. We have to look at the subsidies to the wealthy that are allowed by tax advantages. On the other side we have to ensure that there is a sound social safety net for citizens across Canada.

We can take pride in what Canada has put in place to date but we recognize that now it needs to be changed. We are going to look at that in a comprehensive way. At the end of the day I hope we will all be better off as Canadians.

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, it is always interesting to hear speeches by these Liberals who have converted to the Reform point of view that there have to be changes. It is interesting that none of these things came out during the last election.

The member speaks about going to his constituents and also going to the Council of Canadians and asking how many have talked to MPs. If they had spoken to the Liberals during the last election they would not have been hearing the same thing that the member was talking about to his constituents at this meeting he was reporting on.

The Reform Party by contrast has consistently stipulated that there must be protection for the disadvantaged in our society and the only way we can do it is to make sure that the pie is carved up in their favour.

Does the member agree that the outdated concept of universality that was touted consistently by the Liberals in the election is now dead? Or does he believe, as the member sitting behind him seemed to believe in debate the other day, that it is universality if necessary but not necessarily universality?

**Mr. Easter:** Mr. Speaker, no, I certainly do not believe that universality is outdated. Universality is important especially in a caring, sharing nation like Canada.

It is too bad the member had not been in my riding during the last election. I spoke extensively in my riding during the campaign about the importance of protecting and enhancing the abilities of the disadvantaged, the difficulties we have in some areas where we need regional development programs to better those programs through changes in taxation policies and through other reforms the government may undertake.

We cannot look at each particular reform in isolation. The government is looking at it in many areas. It is looking at reform in terms of social security reform and economic reform. The government is willing to stand up and lead the way. That is what I believe we are doing.

• (1230)

[*Translation*]

**The Acting Speaker (Mr. Kilger):** Resuming debate. The hon. member for Drummond. I would ask the hon. member to give me confirmation that Bloc Quebecois members will split their time.

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, I will indeed share the allotted time with my colleague.

I am pleased to inform the House of the reactions and comments following the release of the details of the social program reform announced by the Minister of Human Resources Development.

First, I think this reform should be named more accurately. Indeed, the minister's initiative is not a reform of our social program system but, rather, an exercise which is part of an operation to cut into the budgets allocated for social programs. Ultimately, this exercise will result in cuts of $15 billion over a period of five years.

The paper released by the minister is very clear on this, at page 23, where it says: "Reform of social security cannot be contemplated in isolation from the fiscal realities facing governments in Canada". Three pages further, the document provides more details on the real intentions of this government: "A social security system that is financially unsustainable is a dead end". The minister can certainly not be accused of lacking in imagination; he wants to make profitable a social system whose raison d'être is to help those who are in need of assistance.

What we have before us is not an initiative to help needy Canadians and Quebecers. Nor is it one which will provide them with some security. It is not designed to make the world a better place for everyone. On the contrary, this is an initiative from a government which wants to cut its spending and reduce its deficit at the expense of the poorest ones in our society. In fact, this reform is a tool which the government will use to cut its expenditures and put its finances in order.

There is another purpose for this reform and it is to centralize powers in Ottawa. This is every federalist's dream. So, this reform will be a very useful tool indeed. Most of the options proposed in this reform tend toward centralization. All in all, the government's two main objectives are very clear: to drastically reduce its social spending in order to put public finances in order, and with what is left, to try again to centralize the powers in Ottawa, at least in the jurisdictions it sees fit, notwithstanding the provisions of the Constitution Act of Canada and the priorities of either Quebec or the other provinces.

Quebec and Canadian taxpayers give the federal government large sums of money, a portion of which is intended for health care and education pursuant to the 1977 agreement. The problem is that the federal government prefers to use this money not for its specified purposes but to reduce the deficit. The federal government must realize that by increasing the tax burden of Quebec and all the other provinces, it directly affects the whole social system the Quebec and Canadian people rely on. It is estimated that the federal government has saved $22 billion since it started to cut spending and to freeze transfer payments. The federal government has squeezed Quebecers and all Canadians to the tune of $22 billion.

Despite higher taxes, federal contributions to the health and welfare program via transfer payments have so drastically decreased that the basic principles of the health and welfare system are being questioned and jeopardized.

This reform confirms the federal government's intention to continue cutting transfer payments. Now, after reducing health transfer payments, the federal government is attacking education transfer payments with the reform proposed by the Minister of Human Resources Development.

Let us briefly review the implications of this reform for the education sector. The reform provides for the total elimination of education transfer payments for post–secondary education, meaning that the provinces will get, at the very least, $2.6 billion less than before.

• (1235)

This decision will have two consequences. First, the federal government will again reduce its deficit on the back of the provinces by substantially raising their fiscal burden. Second, this loss of revenues will force provinces and universities to contribute more to the funding of the education system. The rest is easy to guess: education costs and tuition fees will have to be higher and students will end up being the ones to pay for that by contracting more loans.

For Quebec alone, this loss of revenues will reach $300 million a year; that is, $300 million Quebec students will have to pay themselves because tuition fees will increase two–fold. While reaffirming the importance of university training, the federal government submits a proposal that restricts access to post–secondary education by increasing student indebtedness. This means that the proposed reform reduces the accessibility of post–secondary education for students whose financial means are limited.

We have been fighting for at least 20 years in Quebec to democratize access to post–secondary education and now the federal government is trying to undo what we have done. The government even goes beyond that by proposing dangerous and ridiculous ideas. First of all, it proposes to establish a central-

ized loan program in Ottawa. The game is easy to understand: first the federal government deprives the provinces of the funding it had promised them and lets them deal with their financial problems on their own, then it takes sole responsibility for the student loan program and wants to standardize it. Second, it goes as far as to propose that students use their RRSPs to finance their education. Mr. Speaker, do you know many students who have more than $25,000 in RRSPs? Personally, I do not know any.

This government who promised jobs to everybody, who talked about jobs, jobs, jobs for months, had a good opportunity to put in place a structure that would focus on job creation. Yet, we do not see any employment policy in this reform, any incentive to create jobs. While there is a consensus in Quebec and in the other provinces regarding the urgent need for a joint action plan for job creation, the Liberal government tables a discussion paper whose main objective is to cut social programs by several billion dollars annually.

The green paper tabled by the Minister of Human Resources Development first gives us an inventory of unemployment insurance, training and welfare programs and then tells us how to weaken them even further. To deal with structural unemployment related to inadequate manpower training, the federal government should have started by letting Quebec set up a sensible manpower training system. This is one of Quebec's traditional demands, one on which a consensus was reached long ago by employers, unions and politicians. It is truly unfortunate that this government failed to use this opportunity to get rid of a lot of the costly overlap produced by a federal system that is in very poor shape.

The duplication and administrative overlap that exist between the Government of Quebec and the federal government are partly responsible for the disastrous political and economical situation facing Quebecers and Canadians every day. The federal government, which insists on pushing its centralist approach, is largely responsible for the costly and inefficient proliferation of duplication and administrative overlap between both levels of government. Through massive use of its spending powers, the federal government is gradually and deliberately encroaching on Quebec's jurisdiction over health care, while ignoring what has already been done by the Government of Quebec.

According to a study introduced in 1991 by the federal Treasury Board, 45 per cent of the programs of departments, Crown corporations and federal agencies, representing a total of $40 billion in spending annually, were introduced although similar measures had already been initiated by provincial governments. This wasteful use of financial resources caused by duplication and administrative overlap between Ottawa and the provinces, is to us a clear indication that the disastrous state of public finances and the deteriorating competitive position of the Canadian economy are a direct result of the crisis in Canada's political structures. This wasteful spending must stop. Quebec has always demanded that the federal government stop encroaching on its jurisdictions.

• (1240)

Recently, Quebec again asked the federal government to stop interfering in manpower and occupational training, which cost Quebec taxpayers $250 million annually. Instead of realizing this and withdrawing from this area, the federal government has decided to use this reform to interfere on an even broader scale and make this administrative mess even more costly.

In this area as in so many others, the federal government should stop being stubborn and start acting in the interest of efficiency and effectiveness. Our level of indebtedness, the failure of the present policies as illustrated by the unemployment rates, and the number of people on welfare do not permit us to allow this wasteful overlapping of jurisdictions to continue only to satisfy the federal government's desire to control everything.

Today, because of overlapping, we are unable to implement efficient programs geared to social and economic needs. Therefore, we must come to the conclusion that if the federal government was really concerned about the welfare of Quebecers and Canadians, it would cancel its ill–conceived reform and concentrate instead on dealing with the issue of overlapping. In so doing it would realize that, in the area of social services, most stakeholders come under provincial jurisdiction, and that the federal government has no business getting involved. Quebec and the provinces are already there and in spite of under–funding, are more successful than the federal government.

Far from trying to deal with these cases of counterproductive overlapping, with its ill–conceived reform, the federal government is creating more overlapping by proposing to regroup under one roof all manpower programs managed by various levels of government.

It goes without saying that, as opposition health critic, I am looking at the health aspects of this ill–conceived reform.

We of the Official Opposition believe in maintaining the five major principles which are universality, comprehensiveness, accessibility, portability and public management. However, what we are decrying is the fact that the federal government still insists on imposing these principles while at the same time cutting funding, especially since these cuts which, on many occasions, the Quebec government has called unacceptable and inconsistent, have not been followed by a drop in Ottawa's meddling. It is sticking steadfastly to its national standards and continues to intervene in areas where Quebec and the provinces

have jurisdiction, by creating parallel programs and therefore more problems of overlapping.

The link between poverty and health has been clearly demonstrated by several studies. Low–income people are more often sick, consume more drugs and require more care. We know that in the last few years poverty among young people has increased dramatically. Not only will these children cost more in health care, they will have learning disabilities and will be twice as likely to drop out of school as their wealthier friends.

In the end, these children will depend on welfare instead of contributing actively to the development of our society. To better control the general state of health of the population in Quebec and Canada, and therefore reduce health costs, we must start by fighting poverty to the finish. What does the federal government propose in this regard? I can see nothing. The reform even proposes to reduce family benefits of low–income families. This reform will only aggravate a situation already tragic for the over 1.2 million children in Quebec and Canada who live in poverty.

By refusing to acknowledge the link between poverty and health problems, the federal government is jeopardizing the effectiveness of our system.

**The Acting Speaker (Mr. Kilger):** Order, please. I am sorry to have to interrupt the hon. member, but her 10 minutes are certainly over. I will nevertheless take the liberty of asking our colleagues whether we could allow the hon. member for Drummond to conclude her remarks. We would forgo the five–minute question and comment period. Does the House agree?

**Some hon. members:** Agreed.

**Mrs. Picard:** Mr. Speaker, I had only one more paragraph.

On behalf of the people, the neediest and the middle class, we reject the proposal of the Minister of Human Resources Development and we urge the government to come up with real measures, measures to create jobs.

• (1245)

**Mr. Michel Daviault (Ahuntsic, BQ):** Mr. Speaker, I welcome this opportunity today to participate in this debate on the proposed reform of social security programs put forth by the minister of social program cuts.

Let me tell you right away that this long–awaited reform proposal finally laid before us in a discussion paper will not be translated into actual legislation before next fall at the earliest, and perhaps not before 1996, as Chantal Hébert indicated in *La Presse* on October 5.

This use of public consultation to forestall objections by the provinces and pressure groups gives credence to the contention that this government intends once again to go it alone, by–passing the provinces as it recently did at the National Forum on Health.

It is always the same thing. "This recipe for income security to reform sounds like one Pierre Trudeau, Brian Mulroney or Joe Clark would have cooked up", writes Chantal Hébert.

The minister's document presents this reform proposal as a magic recipe to boost the economy as well as job creation. Make no mistake, the primary objective of the federal government is to make cuts in social programs to bring the deficit and the national debt down.

References made to compassion and fairness in this document have a rather conservative flavour to them, while the real face of this reform is rather hideous. Especially when we already know that, as indicated in a secret document submitted to Cabinet and published by the *Toronto Star* on October 5, this government plans to make another $7.5 billion in cuts over five years on top of the $7.5 billion announced in the last budget. So much for compassion!

On the subjects of job creation and unemployment insurance, I will only touch on a few aspects of the proposal dealing with job creation and changes to the Unemployment Insurance Program.

The proposals made in this document rest, in fact, on a misdiagnosis of the current situation. The problem facing Canada and Quebec is job scarcity. The reform proposal deals exclusively with employability, while what we really need is a real job creation policy.

A group of professors of social law at the University of Quebec in Montreal wrote recently: "They talk about employability, adapting individuals to the labour market and training people for jobs that do not exist, instead of adopting a real job–creation policy". The group adds: "It is incorrect to postulate that the unemployment problem is due to individuals not being adapted to the market, as though they were merchandise [—]To put people back to work, they first need something more than insecure, underpaid jobs".

As for the employment situation, the employment/population ratio is the most reliable indicator of the actual employment situation. In Quebec, this ratio is now 54.7 per cent, while in April 1990, just before the last recession began, it was around 58.6 per cent. This statistic shows that we are still very far from the pre–recession employment level and that the employment recovery is very slow.

Considering population growth, 800,000 jobs would have to be created in Canada, more than 200,000 of them in Quebec alone, to return to the level of April 1990; at the present rate of job creation, assuming that there will be no slowdown before the end of 1995, it will take at least three years to return to the pre–recession level.

This shows how anemic the recovery that the federal government tells us about is. In fact, this recovery is due more to increased productivity than to increased employment. Statistics for September 1994 show that following a large rise in the previous month, unemployment stabilized in Quebec at 12.2 per cent, while in Ontario it continued to fall, reaching 9.2 per cent.

In particular, employment in the Montreal market is growing a little more slowly than in the first quarter of 1994. The annual rate of growth in the metropolitan area went from 4.8 to 2.6 per cent. Moreover, Montreal continues to lag behind the rest of the country and has not recovered one fifth of the jobs lost during the recession. This is taken from *L'économie de Montréal* for the second quarter of 1994.

The jobless rate for residents of the City of Montreal is three points higher than for the metropolitan Montreal census area.

• (1250)

As for the proposed reform recommendations, one of the options favoured by the government is to introduce a second class of unemployed for those with precarious jobs. We know full well that such jobs are mostly held by young people, women and artists. These second–class unemployed people would be subject to "compulsory" employability measures and forced to participate in community work. They would also have to pay higher premiums in return for lower benefits.

Proposing such measures takes a certain amount of cynicism, as they clearly show that this government sees the unemployed as lazy people—beer drinkers, as the Prime Minister said—whom a very paternalistic government must force to take the necessary steps to find jobs.

We can only conclude that the federal government has no job–creation policy as we know full well that coercive measures do not generate employment. Yet, the term "employment" can be found throughout the discussion paper. They even talk about employment insurance, which is misleading, as it would be more accurate to refer to poverty insurance or social insecurity reform.

By attempting to reduce the debt through arbitrary cuts in social programs, the government will only manage to increase the number of welfare recipients.

The first thing this government should do about unemployment is to allow interested provinces to implement a coherent manpower training program, as it just did in the case of Quebec's Mohawks. "This is truly a double standard", said Quebec's employment minister, Mrs. Louise Harel, to the daily *Le Devoir*, adding that, from the federal government's perspective, what is good for the Mohawks is bad for Quebecers.

But let us go back to that system with two types of unemployed workers: those who hold precarious jobs and those have seasonal jobs. Bureaucrats use a very politically correct expression in reference to these people, calling them frequent claimants.

One of the most disturbing aspects of these recommendations is that women would be the first to be affected, given the family income criteria.

"Taking the family income into account transforms the UI program into a more selective program, somewhat like the social assistance program. [—]Such a measure would put an end to the universality of the right to work. Once again, women are the ones who will be affected", added the UQUAM task force.

Several other questions remain unanswered. For example, what does the reform recommend for workers aged 50 and over? These are people who have held the same job for 20 to 25 years. Training? Retraining for a year or two and for non–existent jobs? What will happen to the very limited Program for Older Worker Adjustment, POWA, which is unfair to Montreal workers precisely because of the federal criteria being applied?

All this, finally, to follow the finance minister's orders: cutting assistance to the poor rather than taxing the rich. Thus, new and even more arbitrary cuts will be hardly surprising, since the government wants to reduce its deficit by $25 billion by 1997.

The Minister of Human Resources Development tries to sound compassionate and alarmist when insinuating that:

> if we do not carry out this reform—that is, if we do not cut social programs—the World Bank, the International Monetary Fund, and the international financial establishment could do it in our place.

There are other ways to reduce the deficit and to put into place a real job creation policy, and we have indicated some of these to the government. Cutting social programs will certainly not rid us of the unemployment plague.

**Mr. Dan McTeague (Ontario, Lib.):** Mr. Speaker, I listened to the hon. member's comments with some concern. It seems to me he was very negative in his references to the government and made it seem as though one of our initiatives is a way of getting even with the unemployed because we feel they are lazy.

He also said that with our social security reform, we were taxing the poor. It is of course not the first time that comments from the Bloc Quebecois are rather negative and do not represent the real situation.

Where did the hon. member get his information, and could he quote his sources?

• (1255)

**Mr. Daviault:** Mr. Speaker, I thank the hon. member for his comments. In *Creating a Healthy Fiscal Climate*, released last week by the Minister of Finance, the minister said that major structural changes had also been made in the Unemployment

Insurance Program, in this budget. However, these changes are only a first step. The document entitled *Improving Social Security in Canada* contains proposals that would further change the structure of various programs and lead to major additional spending cuts, the objective being two–fold: to reduce premiums and reinforce job development services.

Of course, it is the government's job to be positive about these proposals. There are others who question the consistency of the Liberal government. For instance, today we read in *The Citizen*, in an analysis by Mark Kennedy, and I will quote the passage in English:

[*English*]

In 1990 the Mulroney government changed the unemployment insurance program so that people had to work longer to qualify for UI and if they did their benefits expired sooner. The Liberal report at that time said the measure had led to dramatic increases in the number of people being forced from UI to welfare. The party urged the government to rescind the change.

In 1990 the Mulroney government froze transfer payments to provinces for health care and post–secondary education. The Liberal report condemned the action. In opposition the Liberals said funding limits for welfare programs would just hurt those who had nowhere else to turn. In government the Liberals have not repealed the Tories' funding formula. Rather, they want a new formula that means even less federal spending on basic welfare.

In opposition the Liberals said a freeze on health care funding runs counter to the fight against child poverty. In government the Liberals have not ended the freeze and the Prime Minister warned last week that health care funding will need to be cut or medicare will be destroyed.

In opposition the Liberals said cuts in federal support for post–secondary education have led to higher costs for education which include higher tuition fees and that led to higher unemployment for youth.

[*Translation*]

In government, they do the same thing.

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, I would appreciate it if my colleague from Ahuntsic could help me reassure senior citizens, especially those living alone.

In the town of East Broughton, in my riding, there is a lady called Mrs. Lessard, who calls me just about every week in need of reassurance. Again last Friday, she called my office to tell me that she could hardly make ends meet. She reminded me once more that the Liberal government had been elected on the promise to get rid of the GST. She told me that she had postponed filling up her oil tank in the hope that the GST would disappear before winter. But she realized that she could wait no longer and had to have her tank filled; and, of course, she had to pay the infamous GST plus the QST.

Once again, I would ask the hon. member for Ahuntsic to help me make senior citizens, especially those living alone, feel more secure.

**The Acting Speaker (Mr. Kilger):** I would ask the member for Ahuntsic to please give a short answer.

**Mr. Daviault:** Mr. Speaker, I would very much like to make senior citizens feel more secure. But this measure was taken on the spur of the moment, without any strategy. As mentioned in the UQAM's document, the government wants us to believe that we are being consulted. First, it threatens us with cuts, no matter what the consultations result in. Then, it fails to link its reform with other issues such as Old Age Security, the national health policy, or a concrete and comprehensive reform of the tax system, which are all important points. The government is only looking at the problem from a cost standpoint without giving itself the means to solve it through taxation. It is only going to review the tax system six months down the road.

[*English*]

**Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.):** Mr. Speaker, I rise to participate in the debate regarding the future of Canada's social services.

• (1300)

I wish to congratulate the Minister of Human Resources Development for his commitment to ensure that all Canadians can participate in this consultation process. The result will be a fundamental change in our social services. The reason for this change is evident. As the Prime Minister has already said, the status quo is not an option.

It has been Liberals who have responded to previous needs for social service programs and put into place the social services that we have today. Liberal governments of the past have introduced among other programs old age pensions, unemployment insurance, the Canada pension plan and student loans.

This Liberal government now calls upon Canadians to accept the challenge to redefine priorities, to identify what is important and to create a new social policy for the next century. This challenge is not about change for the sake of change. It is the government's response to Canadians who have demanded changes in the way that our social system operates now. It is a response to a changing society. We have been asked to do this by Canadians.

The programs that exist today were created for different circumstances and under different times. The recession and restructuring felt deeply by millions of Canadians make what we are setting out to do not only urgent but fundamental for our survival as a nation.

Yesterday's solutions are not going to answer today's problems. New solutions are necessary and we are going to provide those solutions for Canadians.

The task is enormous, make no mistake. We are asking Canadians to redefine what is fundamental to many. With this reform we are going to change everything from unemployment insurance to social welfare. The task is not government's alone, however. All Canadians have been asked to participate and support this effort to provide better service.

The need for reform is evident and clear. We are taking a responsible approach to a difficult agenda. It is easy to simply cry for cuts and reductions. What lies before us is a task of nation building. We are participating in a historic opportunity to reshape our social security programs. The end result should ensure that the world will again look to Canada as a nation that cares for its own and has rebuilt its social programs to respond to our needs now.

This exercise is more than deficit reduction. Obviously we would not be experiencing this sense of urgency without the need to control our debt and deficit. More important however, we are responding to programs which no longer reflect the changing needs of a changing society. Quite evidently the status quo, as the Prime Minister has said, can no longer be accepted.

My constituents know that we are facing serious decisions. They want our government to act. They also want to participate in a process which makes them a part of the solution. They want us together to confront poverty, to ensure that our children are able to enjoy the best post–secondary education and they want to be protected from unforeseen circumstances. While they want government to provide these services, they know we no longer are able to afford the services of the past, especially services which are unable to respond to current needs.

The standard of living in Guelph—Wellington is very good. Despite a lower than average unemployment rate, we still have incidents of child poverty; there are a number of seasonal workers more affected by economic downturns than most of us; we have seniors and students who fear for their future; and the United Way and other agencies are busy with demands for their services. Guelph—Wellington like all of Canada has felt the ravages of the recession. We have individuals who relied on and continue to need the kinds of social services that we are being asked to improve.

What the people of Guelph—Wellington have always demanded from government is quality. They want their money to be well spent, they want value and they demand excellence. They want a social service network that protects those most in need, allows for flexibility, encourages growth in the human spirit and above all assists in job creation and economic renewal, for that truly is the way to success. They do not want people to be dependent but rather they encourage independence. They want to help build and encourage. They no longer want, nor will they accept the status quo.

• (1305)

My constituents know that many of the proposals in the green book are new and daring but they want to take the chance in order to effect change. I have discussed for example the proposals regarding income contingent repayment loans for students with the president and the students of the University of Guelph. They know there are risks in this proposal but they want the freedom to better plan their post–secondary education. They want to take a more active role in what affects them.

The University of Guelph welcomes new innovations and ideas. The people of Guelph—Wellington welcome the opportunity to effect change in post–secondary education and other programs. They want to share responsibility with this government. They want programs which will be fair and will benefit all Canadians fairly.

We must address fundamental and very real issues in the next few months. Above all we are not only talking about programs, we are addressing real people with real needs. We are talking to the seasonal worker who in his or her construction trade faces a two year waiting list for employment after they have completed a job. We are talking about the teenager in Erin, Ontario who is hoping to attend university. This reform is about the senior in Guelph and the newborn in Puslinch.

We are going to talk about new ways to help those who are struggling to make ends meet. We are going to find new ways to assist Canadians who today have no idea that they will need social assistance in the future, but because of some unfortunate circumstance they will find themselves seeking help at some point in their life.

The majority of people in my riding voted Liberal because they trust a Liberal government. They know that Liberals have in the past responded to similar difficult situations. They want reductions in government spending to be sensible and reasonable. They want a responsible approach to social service renewal and they want real consultation.

This process will result in a new and better way to provide social services. It will end the duplication of services and build on new partnerships.

The people of Guelph—Wellington no longer want to know who is to blame for the past. They want to know who to turn to for their future. They want decision making which will be for their benefit and for the benefit of all Canadians. They want to join our government in renewal. They want jobs, security and education for their children and for themselves and assistance for the unemployed. They want welfare that teaches, encourages and trains for new skills rather than a government handout that demeans and discourages. They want literacy, employment opportunity and the dignity of work that our Prime Minister is quick to always encourage. They want to participate in nation building, not division.

We are responding to the demands of our history. Last fall the Liberals asked Canadians to help create opportunity. This fall we are asking them to seize that opportunity and build a better Canada. The people of Guelph—Wellington are ready to answer that call. Together we will build a Canada that will remain the best country in the world.

[*Translation*]

**Mr. Jean-Guy Chrétien (Frontenac, BQ):** Mr. Speaker, I listened very carefully to what the member for Guelph—Wellington said about the reform of social security in Canada.

• (1310)

Last weekend, I spent several hours meeting groups of my constituents in Frontenac and when they were told that the country is on the brink of bankruptcy, with an accumulated deficit of $550 billion, some of them reminded us that this monstrous debt was created not by the Conservatives but by the Liberals, a government to which the present Prime Minister has belonged practically since his youth.

Remember that this $550-billion debt was not created overnight. The deficits began to pile up in the early 1970s, in the Trudeau era, and now a real climate of fear is being created throughout the land; people are almost made to feel guilty for collecting an allowance for their children or an old age pension or a welfare cheque. Some feel guilty, as though they were cheating the country, but they are not.

Most of these social measures were brought in by a Liberal government and now it will cost a fortune in advertising and cross-Canada tours to try to make the electorate swallow the pill. I asked my constituents on the weekend what they proposed to reduce this famous deficit. Since it was in the news, they said why not cut the $2 million for the Robin Hood, William Tell and Top Gun exercises.

Of course, Mr. Speaker, you will tell me that $2 million is a drop in the bucket. Yes, a little snow does not stop a locomotive, but billions and billions of flakes of snow will stop the whole train. You see, $2 million are being spent so that some sixty of our soldiers can go and have fun in Florida.

Two weeks ago, we were told that $2 million a year were spent on the restaurant here on the sixth floor while senators and MPs invited their constituents and friends for lunch and forgot to pay before leaving. Two million a year; it is a real disgrace! It is really shameful, and then we hear that politicians are unpopular. With things like that, the voters in Frontenac are right to question politicians' good will.

I wonder if the member for Guelph—Wellington could give us her opinion, her own, not her government's which I already know, but her own opinion on tax shelters or family trusts which contain billions of dollars that could be collected from wealthy individuals.

[*English*]

**Mrs. Chamberlain:** Mr. Speaker, I could go on forever on this one. To the hon. member for Frontenac, you are quite right, a Liberal government was responsible for many programs that have helped this community—

**The Acting Speaker (Mr. Kilger):** Members should be sure they direct their comments through the Chair and not directly to one another.

**Mrs. Chamberlain:** Mr. Speaker, I was just getting started. There is no doubt a Liberal government has been responsible for many of the innovative and new reforms that have made Canada what it is today, clearly the best country in the world rated for the second time. Let us put that on record.

It is important to understand that all of the benefits brought in by a Liberal government were brought in for the country as a whole, including Quebec. It is very important for that member to understand that we look after all Canadians.

The member for Frontenac talks about our growing the debt. I wish to inform him that to begin with some of the debt was caused by the Liberal government. Then we had the new regime, the Tories, and a small debt grew into a huge debt.

• (1315)

The member for Frontenac says that we are on the verge of bankruptcy. I wish to be very clear on that. We are not on the verge of bankruptcy. That is clearly a tactic to entice Quebec people to buy into that notion. As we know from the recent election many Quebec people do not buy into that sort of thinking or mindset. We know it is not true.

We are however at a crossroads. Clearly the government is going to act on reforming social programs. I draw the attention of the hon. member to the *Financial Post* of today that states clearly Canadians are in support of this reformation. We are catching up to what all Canadians want, Quebec included.

**Mr. Robert D. Nault (Kenora—Rainy River, Lib.):** Mr. Speaker, I rise today in support of change. Although I have not entirely determined my position on all the proposals contained in the government's discussion paper "Improving Social Security in Canada", I am carefully considering the various options. Frankly I am waiting for my constituents to digest these ideas and tell me what they think.

However I am certain of my support for the process the discussion paper initiates. It is a process of change. The government is once again showing its commitment to innovation and complete consultation with Canadians in an open and constructive manner.

The change I speak of is necessary because in Canada we have a social security system that is simply not working properly. Our social programs no longer function adequately, often neglecting those people who need help. I need only cite recent statistics on child poverty to prove the point.

Clearly there are some people caught in the revolving door of welfare who are otherwise capable and willing to work. That is a problem. It hurts the system and impedes our ability to deliver efficient programs. We must improve the system. We must bring about change.

When the Minister of Human Resources Development released his discussion paper a short while ago, immediately we listened to the barrage of criticism from across the House and complaints from interest groups across the country.

I could not be happier. In my mind the discussion paper is a total success. That is exactly what a discussion paper is supposed to do: to get Canadians talking about our social security system. Whether the comments are positive or negative Canadians have started the debate on social policy. That is exactly our intention. It is debate by Canadians that will inspire the creative ideas we need to improve our social security programs.

I remind members across the floor that the discussion paper is not government policy but rather a framework of proposals to work toward solutions. The debate will continue. The government is listening to the condemnations from political camps and special interest lobbies. Lo and behold the silent majority speaks. Canadians were recently solicited for their opinions. Scientific sources tell us the strong majority of Canadians think the social security system needs change.

That is one reason I am a member of this majority government. We promised change. We were elected to a majority for change and now we are delivering on change. Furthermore an overwhelming majority of people in the country apparently think specific programs like unemployment insurance and welfare desperately need change. I reiterate that I stand in support of change.

I also support the nation's exemplary tradition of helping our poor, our disadvantaged and our unfortunate. However I am concerned that what began as a system of assistance for the poor, the unemployed and disadvantaged has turned into a social trap. The system now applies social assistance inappropriately, thus missing the target and costing far too much in the process. Canada's social security system has drifted from its original intent. That is why we are here re–examining the issue with the objective of improving it.

• (1320)

I cannot speak for my colleagues but I have received several letters from people who are upset. They say that we are unfairly subsidizing the social security system and that we must seriously address those concerns.

I am not blaming the victims in our society. I want a social security system that will protect and help victims of misfortune. If we do not improve the system we will not be able to help those people in the future. We also have to face financial realities. When social programs are unfairly applied those truly in need are the people who suffer.

I would like to examine a couple of specific ideas if I could. One is the concept of getting people back to work. The other is the essence that in the priority of the government jobs for Canadians will solve a lot of our social security problems.

There is a deficiency with programs such as welfare and unemployment insurance. For example it often makes more sense to remain on the welfare roll rather than seek employment because sometimes welfare benefits pay better than low end jobs. There is no incentive for people to enter the workforce and advance careers into better paying jobs. The problem is well documented.

I do not think it is unreasonable to expect we should develop policy that motivates people on welfare to enter the workforce. By encouraging Canadians to find jobs we are also helping individuals gain the dignity we all desire.

The proposal of supplementing wages with social assistance until people rise above the poverty line while remaining in the workforce is a commendable idea. We must also develop effective job training programs so that people can acquire the skills they need to excel in the workforce.

Social programs must involve the availability of education. We must explore policy options that direct federal funds to provide education and training for people who currently receive social assistance. Far too many children live in poverty because parents do not have the option of furthering their education and developing meaningful careers. By providing opportunities for education and training we will see welfare rolls decrease.

The proposed two tier system of unemployment as it relates to insurance has received considerable support in my riding at this early stage of social policy review. I contend that the UI program is being abused. The program should be used only as insurance in circumstances where Canadians find themselves unavoidably caught between employment opportunities. That is what the program was originally intended for but is not how the program operates today.

Unfortunately many Canadians have learned to depend on UI as a steady source of income. I do not think it is fair to ask working Canadians to subsidize those who consistently calculate UI into annual income strategies. We have to pay special attention to our seasonal workers. There are many Canadians and many careers in Canada that depend on seasonal employment. Those people cannot be left out in the cold, but we must address the excessive costs to Canadian taxpayers of a system that allows people to depend on social assistance when they are capable of working.

Rather than simply ignoring frequent UI applicants we should help them find long term employment, or perhaps multiple seasonal jobs. The government is obviously open to suggestions. We cannot escape the fact that the UI system needs improvement.

In conclusion I support the discussion paper on social policy because it represents an agenda for change. We are going through profound changes. Some of these changes are stamped with dire predictions of doom and gloom. I say that just the opposite is true. Social policy review is one component of a new process for change. We are asking that Canadians temper their immediate expectations. We are asking for sacrifice today so that our children may prosper in the future.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I listened with interest to the dissertation of my hon. colleague from Kenora—Rainy River on the very important subject of social policy reform.

• (1325 )

Would the hon. member opposite be good enough to clarify his personal views on two very basic subjects? First, does the member opposite feel that entitlements or benefits should be based on need or want? Second, should those benefits be available universally or universally available, which is a very different phrase? Third and because it is so important, what would the hon. member opposite consider to be the minimum definition of a child in poverty?

**Mr. Nault:** Mr. Speaker, to my colleague across the way let me make it clear I believe that benefits should be based on need.

The fact remains that we as a government can assess policy options through the review we are having with Canadians once the consultation process is over. I believe there is a strong possibility that we will be able to create change and programs and policies that base their assumptions on the needs of certain Canadians.

On the question of what is perceived to be the definition of poverty, I grew up in what would probably be classified as a poor to lower middle class family with 10 children. Our father and mother worked their tails off to get us through school and to a point where we could succeed as Canadians should. To me poverty is when there is no opportunity to succeed. That is a pretty easy, simple definition. When I went to school and was of university age I would never have had the ability to go to university without government participation. My parents could not afford to send 10 kids to university.

There is a need for governments to participate in helping people with the capabilities get from one school level to the next. The government and its record will prove that we have done that in the past and will do it in the future.

To me poverty also means that the basic necessities of life are looked after so students do not go to school hungry. In Kenora—Rainy River I represent the most aboriginal communities of any member of the House with a total of 46. A large majority of the kids I represent in First Nations communities go to bed hungry and go to school hungry.

If we as a government are not cognizant of that fact and do not create programs to deal with young people, how can they be expected to get off the treadmill they are on? Governments should participate in a program that makes sure young people have an opportunity or a chance by having a roof over their head and by being well fed and well nourished. Then when they do go to school, because we are supplying education, they will want to learn. They will be willing to get to the next step.

As a young person I had the opportunity to get into an educational institution to better myself so that I could make my way and make a life for my own family.

[*Translation*]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, the hon. member has stated that the consultation document being debated for the past few days ago accommodated a need for change. I would like to tell him that we will wait and see how the people react, if they feel there is really a need to cut in our social safety net. Let me give him an example of the impact one of the measures contained in this document will have.

As this is only a consultation document, I will ask him to tell us how he feels more particularly about cuts in established programs, the post–secondary education shared–cost programs between the federal government the provinces. A $300 million cut is contemplated. Cutting transfers in this area will have the following impact on the provinces, which have no more financial resources than the federal government: just for the education system to be maintained, tuition fees will have to be at least doubled.

• (1330)

On the other hand, the same document mentions training objectives, the fact that in today's competitive market, adequate training is essential and we must find a way to target training well, to make sure Canadians are adequately trained. At the

same time, the government pushes for a measure that will result in tuition fees doubling, because we must recognize that these fees will double. I have heard the member give the example of a large family. Does he not believe that this measure will adversely affect access to post–secondary education and thus hinder training in terms of secondary and post–secondary education?

[*English*]

**Mr. Nault:** Mr. Speaker, this question has been brought up before. I do not know how long the member opposite has been out of school but as you can tell I have not been out of school that long. I remember when I borrowed money from the government through the system that was in place at that time which basically has not been changed very dramatically since then.

One of the issues the member talks about is the fact that there is a proposal to make cuts in the funding that flows directly to provinces. I totally encourage that. In fact I have discussed it with my colleagues. The present system of dollars flowing to the provinces for post–secondary education has totally failed young Canadians. It has not worked.

If the member is concerned that tuition is rising, he should look at what has been happening around him. It has been rising 10 per cent per year for the last four or five years. It is on the move up.

The government is suggesting a system where students can pay back the dollars they borrowed based on how much money they make when they get out of the system. It is a system used in other parts of the world and is much more efficient.

If he talks to the staff in his office about one particular constituency problem he may regularly face, he may find that young people are coming in on a regular basis because they cannot afford to pay their student loans. There has to be a way of changing the system and that is one of its major problems.

Last, he asked about training. One of the proposals is about transferring dollars to training and supplementing the people on welfare with training dollars. We are not reducing the amount of money that a Canadian will get. We are increasing it with a built–in incentive which is a much more appropriate process than saying to someone: "Here is your welfare cheque. Don't ever bother coming back into the system. Stay where you are. We like you being on the poverty line". We are saying that we will give a minimum amount of welfare but we will supplement it with training dollars so people can improve themselves and get back into the workforce. In this way they will be a part of the constructive society we are trying to build.

**Mr. Ray Speaker (Lethbridge, Ref.):** Mr. Speaker, on behalf of our whip and pursuant to Standing Order 43(2) the Reform caucus will be dividing its time.

I would like to comment briefly on the discussion paper before us on social security released by the Minister of Human Resources Development. As well I would like to comment on remarks made regarding the *Financial Post* and the poll it has taken. I note there is major support for what is called "Axworthy's reforms". The question is very simple: Do you support reform of the social security system? Anybody would say yes to that. Anybody. The question really does not have very much credibility when you look at it.

Of note also in that poll is another statistic that is relevant and I would like to talk about it here today. It is that 78 per cent of those people polled thought that reforms were to save money and to meet the government's goal of deficit reduction. People are very conscious of their responsibilities and of the current circumstances of the government.

This discussion document has established three objectives: first, to help Canadians get and keep work; second, to support those most vulnerable; and third, to ensure affordability. These are certainly laudable goals which all of us can support. However the discussion paper does not set out a realistic plan to achieve them.

• (1335)

First, the paper does not adequately recognize the gravity of the financial situation we are facing in this nation. Second, the paper attaches no price tag to any of the proposals. If the document is to enable Canadians to make intelligent choices regarding our social security system, it must include the cost of the programs and a realistic picture of how much money we can afford to spend. I certainly want to emphasize the word afford at this point in time.

The first objective of the social security review is to increase employment. How does the minister propose to do this? Three ideas are presented and it is worthy of note that none of them are specific nor do any come with a price tag.

The minister suggests improving employment development services. The list includes job counselling, training, labour market information and various other buzzwords that we read in discussion papers such as this one.

The paper notes that existing programs which provide these services have not worked very well, however no consideration is given for why they have not worked. This is the first place where the paper is inadequate. No time is taken to consider why the existing programs have failed to meet their objectives. Rather it is automatically assumed that what we need is a new program to fix the mess that was left by the old ones, just a new program.

Incentives for hiring unemployed workers are also suggested in the paper. Such schemes often call for the government to pay a portion of the worker's wages so that he or she can gain valuable work experience. This all sounds great on the surface, however

these types of programs lead only to rearranged jobs rather than adding new ones.

Furthermore when employment incentives are exhausted firms simply drop the formerly subsidized workers from the payroll and the cycle begins again. Another unemployed person is picked up by the government program only to be dropped shortly thereafter. That is not the solution to the problem. The OECD, and I add this as support, has examined such subsidy programs and concluded they cost more than the value of the benefit they derive.

The paper before us considers the unemployment insurance system. Certainly the unemployment insurance system needs reform but the minister should know that simply changing the name from unemployment insurance to employment insurance will not save the Canadian taxpayer one cent nor will it add one job to the economy.

At least in the case of UI the paper gives two fairly clear options. However they are once again without any type of cost benefit analysis. How much more money would it cost? We do not know the answer to this question. This is precisely what makes this discussion paper inappropriate as a consultation tool under the present fiscal circumstances. Hard financial choices have to be made and this paper seems to ignore those choices which must be made not only by the House of Commons but by the Canadian people as a whole.

The discussion paper also deals with the funding of education. Certainly literacy and lifelong learning are trendy concepts but where are the specifics? How will the government increase literacy and improve access to education? This is perhaps the section of the paper which is most devoid of any realistic and detailed suggestions. This is unfortunate since the government's own admission is that education is a key factor in economic growth and productivity.

In addition to the status quo only two options are presented. They include the use of RRSPs to fund education and training and also a system of income contingent student loans.

The government has turned to RRSPs to accomplish various whims of its social agenda. It does not want to deal with what I believe is the root problem: government overspending. RRSPs were used to stimulate housing in the first time home buyers plan. Now the government is considering them for education.

• (1340)

Canada's growing inability to fund essential programs cannot be resolved on the back of RRSPs even though they may be a good idea for saving not only for education but for a person's retirement. Rather the government must cut unnecessary spending in order to stop the crippling effects of our spiralling debt.

On the issue of income contingent loans I will simply draw the attention of hon. members to a private member's bill on this very issue by the leader of the Reform Party. We encourage members opposite to continue to read the blue book. It has given me great pleasure to watch the Minister of Finance as he has moved from the red book to the purple book to the grey book. Most likely one of these days he will see the light and accept the blue book.

The second objective of the government's social security review is to support those most vulnerable. We in the Reform Party support this objective as well. Once again, however, we disagree with the discussion paper as to the best way to achieve this goal. The role of social policy must be to foster the right balance between personal responsibility to care for yourself and your family and both public and private health for those truly in need; in other words, targeted support and assistance.

Since the 1960s the government has enacted program after program which discouraged personal responsibility and encouraged many Canadians to rely on the government for their support and sustenance. We see the devastating results today.

The third objective in the government's social security review is to ensure that social programs are financially sustainable. We all support that. It is a good goal. However, how is it going to be done? The green book contains the statement: "The debt needs to be tackled because it causes real damage to jobs and security". Where has the minister been? The debt has been causing real damage to jobs and security for quite some time now.

Perhaps the minister should pay more careful attention to his colleague the Minister of Finance. He recognizes that the debt and the deficit are hurting our economy now. It is crippling our ability to compete economically. One of the facts we know is that the annual cost of the $535 billion debt now consumes 42 per cent of federal revenues, excluding the unemployment insurance program which is self–financing.

I ask this question: Does the Minister of Human Resources Development understand the significance of our ability to finance social programs? What about the possibility of a recession? It could occur before the government significantly surpasses or meets the 3 per cent deficit to GDP target. What will that mean to government revenues? It will mean that they could dive, that interest rates could climb and possibly the debt will spiral. I shudder to think of the fate of our social programs and medicare under those circumstances.

From a financial perspective another serious problem with regard to this review process is the exclusion of the Canada pension program and old age assistance from the process. Under the present framework these two programs will become more expensive due to changing demographics. This expansion will increase payroll taxes causing a further drop in employment and increased economic insecurity. This is only symptomatic of a

broader problem. If unchecked, the growth in social spending when combined with interest on the debt will consume 100 per cent of government revenues by the year 2010.

As I have said, the traditional Liberal approach to social policy which is presented in this discussion paper denies the financial realities of today. Recognizing the extreme seriousness of our deficit problem and reducing social program expenditures is essential if we are to preserve the ability to help those who are truly in need.

• (1345)

Reductions in spending are not heartless. Consider the advice of the finance minister to our finance committee:

> If people come before you and say that now is not the time to cut, ask them to describe the morality and the justice of letting the debt continue to run wild, unchecked, ruining the future of our children.

That is a significant statement and one that must be considered when we look at this social review. When the social review is considered in the context of Canada's economic situation, one hard fact emerges to which the green book gives little attention. The social security review must result in expenditure reductions. Seventy–eight per cent of the people polled said that must be a target.

The finance minister admitted this reality in his budget speech in February when he said the days of governments—

**The Acting Speaker (Mr. Kilger):** Order. I wonder if I might seek the assistance of the House. The 10 minutes has certainly well lapsed. I know that 10 minutes on subject matter of such importance is not very long. If the House would agree to let the member conclude his remarks, we would waive the five minute question and comment period.

Agreed?

**Some hon. members:** Agreed.

**Mr. Speaker (Lethbridge):** Mr. Speaker, I appreciate that very much.

If the government wants to meet its objectives of helping people find and keep work, protecting the vulnerable and ensuring affordability, it must recognize that major reductions in spending are required. Only when the financial situation of this country is brought under control will our social programs be safe.

In light of this the Minister of Human Resources Development must be criticized for neglecting to include financial details in the discussion paper. If the government continues on its present course with social reform and refuses to make the required reductions in expenditures, the time will soon come when Canada will be unable to care for those who are truly in need. Reformers are much too responsible to let that happen.

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker , it is a pleasure for me to rise in the House today to respond to the government motion on social program reform. It is indeed encouraging to see the Liberal Party which brought us these failed experiments in social engineering finally concede that its programs are unworkable and unsustainable.

Canada is under attack today, far greater than any attack that might have come our way by war. We are under attack by a deficit and a debt that are dragging us down. The finance minister has come to appreciate this. In the last week or so he has been talking about the fact that we are in debt to our eyeballs, the impact that debt has on job creation and indeed the threat to our social programs.

I am pleased we are having this discussion today because the social programs we are talking about represent such a huge part of the federal government's budget. In addressing these programs we must find a way of delivering them not only cheaper but better. I think that can be done. Over the years we have thrown money at these problems to the detriment. We have not helped the situation, we have aggravated it.

I look forward to this discussion today. I would like to point out there should be no question that when it is all over there must be a dollar saving. The taxpayers are asking for it. It was reflected in the study reported today in the *Financial Post* that Canadian taxpayers are supporting what is going on here because they very much believe it is going to represent a saving in tax dollars, which we all so desperately need. I want to make that point. It is not something the government should be ashamed of. It is something the people in this country want and are asking for.

Nowhere is it more evident in the Liberal attempt to change or reorder society than in the social programs that directly intrude on the family. The whole area of child care expenditure with the state as the nanny is a clear example of this intrusion. Today I will look at the Liberal ideas and current programs and I will offer the Reform constructive alternative.

The Liberal social security discussion paper describes institutional day care as a priority if social programs are to be reformed. It states that we must provide working parents with the assurance of quality care. I would ask what care could possibly be better than quality care offered by the child's own parents? No government program or initiative, no matter how well thought out and expensive, could ever provide the love and affection or match the quality of care that only parents can provide.

• (1350)

The minister stated in the House when asked about informal child care, meaning family, friends and neighbours, that parents have to work because that is how they get sufficient income. The minister should have said sufficient disposable income because

almost all Canadians earn more than sufficient wages. This government and others tax over half of it away. It is excessively high taxes that have forced both parents out to work.

When my Reform colleagues and I came to Ottawa we promised to be a constructive alternative, to be open and honest and offer our best solutions to the debate. We have done this in many ways, including producing our plan to eliminate the deficit in three years and a comprehensive policy manual called the blue sheet.

Today in this House I am going to make it very clear where the Reform Party stands on the reform of social programs directed at children. I am also going to give the minister some clear direction in some areas where he can cut spending or spend more effectively.

The Reform Party believes that the care of children is the domain of families and that parents must have full responsibility in Canadian society to nurture, provide for and rear their children. Current federal government programs are intrusive and restrict the choices that parents may make in deciding on the best type of care for their family.

The role of government is to provide a fair tax and benefit system that provides parents with the opportunity to properly care for their children in a manner of their choosing. Government must uphold the authority and responsibilities of parents as exclusive in the area of child rearing. The only acceptable direct role for the government is as an intervener to protect children in cases of abuse or neglect.

According to the red ink book, this Liberal government is spending over 400 million tax dollars a year on institutionalized day care already and plans to spend an additional $720 million over the next three years. Given the recent discovery that the current deficit is indeed as serious as we have been saying all along, how do we justify this? A Reform government would end all state run day care.

We believe that the federal government should not involve itself with day care programs in any way. If regulation of services is necessary then this should be provided by the level of government closest to those Canadians receiving the service which can most efficiently provide that regulation. Regulation of day care is a provincial responsibility and should remain so. Federal involvement in and funding for day care should be terminated.

Let us make no mistake about this point. Federal governments have long justified their intrusion in matters of provincial social program responsibility with the short phrase: "They cannot afford to fund it fully themselves". If the provinces cannot afford it, it is because it is indeed unaffordable. There is only one source of funding for all levels of government because there is only one taxpayer. If taxpayers cannot afford something provincially, what makes the Liberal government think that it can afford it?

The military family support program is a small bureaucracy within the Department of National Defence that costs taxpayers $16 million a year and which does not directly benefit one child. There is another $100 million to be saved by eliminating the children's bureau of Health Canada. This is not a Liberal creation. It was a pet project of the failed government of Brian Mulroney. There should be no opposition from this Liberal government to eliminating this large Conservative created bureaucracy that exists simply to study day care and push so–called safe sex education. Little of this $100 million directly benefits children.

The Department of Indian Affairs and Northern Development spends $270 million on various child care programs. Much of this money is directed at institutions and so–called professionals. This is unacceptable to the Reform Party and we believe it must stop.

The child care expense deduction is an example of gross inequality in our tax system, discriminating against stay at home parents. This tax deduction will cost over $1.5 billion in lost revenue per year while the modest supplemental benefit is another $400 million.

• (1355)

There are several reasonable alternatives to this current situation. However the bottom line is that any benefit which is given to parents to care for their children must be applied equally regardless of employment status.

A few weeks ago the Parliamentary Secretary to the Minister of Finance shot down a bill in this House that would have allowed parents to split some of their income for taxation purposes. Such a measure would have introduced some of the equity and fairness we as a party are looking for. It would also have recognized the value of the work of stay at home parents who are mostly women.

This government likes to talk about defending women's rights and introducing equality for women. In fact, it has even appointed a secretary of state responsible for so–called women's issues. I wonder which issues this secretariat represents. Are they the issues pushed by NAC and the day care lobby? They are certainly not responding to the needs and concerns of working Canadian parents, the majority of whom wish to have one parent stay at home to raise their children as was made quite clear by the recent Angus Reid poll on the family.

We believe that tax reform will be a key aspect of any true reform of social programs. As a party, Reformers believe that a move toward a system of flat taxation will lower administrative costs dramatically and introduce new fairness to taxation.

With respect to children, the Reform Party would continue to recognize the costs associated with their care through a tax credit that would be available to those families with dependent children who are in financial need. The credit would be a simple line on the income tax form and applied directly to each year's taxes. Such a system would provide fair treatment to all families and allow parents the freedom to make their choices about providing the best care for their children.

There are some obvious spin–off benefits to the family centre policy that the Reform Party is advocating. Parents provide the best nurturing environment for their children. Children who are raised in other environments are statistically more likely to engage in criminal activity, do poorly in school and become a burden on the social safety net. It is in the best interests of all Canadians, financially and otherwise, to ensure that children receive the best possible care available, the care that exists within the family.

I have pointed out areas of spending in which this Liberal government can find savings in the order of hundreds of millions of dollars. I have described some basic ways to make the social programs currently directed at children more equitable while allowing parents more options.

Let us get out of the day care business, provide a fair tax system and allow families the freedom to make their own decisions. I believe that we need to put the needs and concerns of families first. We can achieve our deficit cutting goals, save our social safety net—

**The Speaker:** My colleague, you still have a few moments. Of course we will look forward to hearing the culmination of your remarks a little bit after Question Period.

It being 2 p.m. pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

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# STATEMENTS BY MEMBERS

[*English*]

## JUSTICE

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, on September 30 the Supreme Court of Canada accepted the logic of the defence of drunkenness when one Henri Daviault said he did not know what he was doing when he dragged a 65–year old women from her wheelchair and raped her.

When the highest court in Canada grants acquittal for rape based on drunkenness, women are set back 100 years to non–person status. This is insensitive and offensive. Drunkenness must not be an excuse to commit crimes against women.

On behalf of all women, I urge the justice minister to act swiftly to accept the recommendation of the Law Reform Commission that dangerous intoxication be made a criminal offence.

* * *

[*Translation*]

## ABORIGINAL PEOPLES

**Mr. Maurice Godin (Châteauguay, BQ):** Mr. Speaker, the Royal Commission on Aboriginal Peoples has just announced that it is delaying for the second time the release of its final report. This report, which has already cost $58 million, will not be available until early in 1996. Aboriginal people faced with overwhelming poverty, unprecedented unemployment and suicide rates, and housing conditions which bring shame on Canada around the world, do not need additional studies.

While the commission studies the issues to death, the government makes piecemeal decisions or defers them until the commission submits its report, which will only state the obvious.

The $58 million would have been better used to build 1,000 houses. The minister should take action and give Natives the funds essential to their future, which a royal commission is now wasting.

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[*English*]

## IMMIGRATION

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, for more than two years a herd of 800 Canadian owned alpacas has been held in Australia pending clearance by Agriculture Canada. These animals originated in New Zealand where they may have contacted the neuroparasite E–Cervi from deer.

There is no evidence that alpacas can carry and transmit this parasite, but it has not been proved that they cannot. The parasite has a dormancy period of several years and there is no clinical test for it.

One must wonder why Agriculture Canada's concern for the health of Canadian animals is greater than the concern of Immigration Canada for the health and welfare of Canadian people. Every year thousands of immigrants enter Canada without being screened for HIV. The transmission vectors of this virus are well known. Many years may pass before HIV carriers develop full–blown AIDS but the virus is readily detectable by—

**The Speaker:** The hon. member for Moncton.

[*Translation*]

## FORESTS

**Mr. George S. Rideout (Moncton, Lib.):** Mr. Speaker, during the parliamentary break, Canada and Malaysia hosted an international conference here in the capital.

[*English*]

This conference focused on efforts to improve sustainable forest management around the world. It is of great significance that Canada and Malaysia and other participants have been able to establish a process which furthers the aims established in Rio in 1992. Our leadership and involvement in this process recognize the critical importance of forestry to this country's economic and social well–being and our commitment to sustainable development.

These meetings and future meetings could well see a positive commitment by all forest nations to environmentally sustainable development throughout the world.

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## UNIVERSITY OF GUELPH

**Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.):** Mr. Speaker, the young Liberal government and policy information centre recently opened at the University of Guelph. This is designed as a resource centre for students requiring information on various government projects and programs.

I congratulate Jeff Paul, president of the University of Guelph Liberals for this initiative. This centre is Jeff's idea and he hopes to encourage University of Guelph students to learn more about government and to help create dialogue and discussion.

Young people will be the leaders of government and of tomorrow. Resource centres like the one recently opened at the University of Guelph can help students to understand government programs and more important, encourage participation in the decision making process.

Best wishes to Jeff Paul and everyone associated with this important project.

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## SUSTAINABLE DEVELOPMENT

**Mrs. Karen Kraft Sloan (York—Simcoe, Lib.):** Mr. Speaker, Wednesday, October 18 marked seven years since leaders from around the world met to discuss the United Nations report on our common future.

The report confirmed the global confrontation between human activities and the environment. It made an urgent plea for shifting to sustainable practices.

There has been much talk in those seven years. Some efficiencies have been gained in the way we do things. We are a little less wasteful and we recycle a whole lot more, but the basic patterns of our society remain unchanged and our long term well–being is seriously threatened.

Part of the problem lies with the lack of clarity of the term. People interpret it in different ways and as a result sustainable development is implemented in different ways.

A number of government initiatives currently under way must help clarify what is meant by the term in order to ensure a shift toward sustainability. We must ensure that the needs of our future generations are not compromised by our actions.

* * *

[*Translation*]

## GUN CONTROL

**Mrs. Pierrette Venne (Saint–Hubert, BQ):** Mr. Speaker, despite the Prime Minister's promise at the convention of the Liberal Party of Canada last May, despite the promise repeated many times in this House by the Minister of Justice, Quebecers and Canadians are still waiting for more effective gun control legislation. We knew that this government was inclined not to take action and susceptible to the harmful and hidden influence of lobby groups. But we did not know that this government saw the representations of some major lobby groups as more important than people's safety.

Last week's events in Ontario add to the sad list of victims of this lack of effective gun control.

• (1405)

Last weekend, the Prime Minister tried to appear reassuring by saying, "The sooner the better". When? Quebecers and Canadians have been waiting for a whole year.

* * *

[*English*]

## BLUE RIBBON CAMPAIGN

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, today we have the opportunity to honour the men and women of the Canadian Armed Forces who perform peacekeeping roles professionally and courageously so far away from home.

It is fitting that our soldiers have earned eight Nobel peace prizes through their participation in 26 United Nations missions. Every day Canadian peacekeepers earn the respect of the world, but still the awareness of Canadians at home is low.

With this in mind, Mrs. Jocelyn Fleurant of British Columbia, a courageous mother of one of our peacekeepers, launched the blue ribbon campaign.

Mrs. Fleurant has distributed 44,000 blue ribbons for this special day. In a letter she writes: "We should all stand up and be proud and unite our voices to give Canadian peacekeepers the recognition they deserve".

I call on every member of this House to honour these Canadians who serve us so well. Wear your blue ribbon today, show them we care and wear it with pride.

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## IRVING OIL REFINERY

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, local 691 of the Communication, Energy and Paperworkers Union of Canada is on strike at the Irving oil refinery in Saint John, New Brunswick.

The company has insisted on a longer work week and less pay for overtime. Not only is this an attempt by Irving to exempt itself from national bargaining but it is a good example of how jobs are not being created where they are desperately needed.

Irving could create 30 full time jobs, the equivalent of what is being demanded in terms of longer hours. Instead it is using scabs to do the opposite.

It is about time for all levels of government that have not done so already to bring in anti–scab legislation. Workers who want to increase employment opportunities for the unemployed should not have to go on strike to do so and then have scab labour take their jobs.

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## BERTRAM BROCKHOUSE

**Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, I rise in the House today to pay tribute to a fellow Canadian, Bertram Brockhouse, co–recipient with American Clifford Shull, of the Swedish Royal Academy of Sciences 1994 Nobel prize for physics.

Dr. Brockhouse won this most prestigious scientific award for his pioneering contributions to the development of neutron scattering techniques for studies of matter.

The work for which Dr. Brockhouse was awarded the prize was performed at AECL's research reactors during his tenure at the Chalk River laboratories from 1950 to 1962. His achievements included the invention of the triple axis spectrometer, a powerful instrument which he used with great success investigating the properties of solids and liquids at the atomic level. It is now in use worldwide at every major neutron scattering laboratory.

Dr. Brockhouse thus established for Canada a position of world leadership in the field of neutron scattering. I want to take this opportunity to congratulate him.

*S. O. 31*

## TEAM CANADA FIGHTER PILOTS

**Mr. Fred Mifflin (Bonavista—Trinity—Conception, Lib.):** Mr. Speaker, on the weekend Canadian fighter pilots did themselves and their country proud by placing a close second, their best ever performance in the prestigious 40th anniversary William Tell air to air weapons meet in Florida.

Team Canada, made up of pilots from 3 Wing, Canadian Forces Base Bagotville, Quebec was led by Captain Francois Garceau of St. Donat, Quebec who placed second in the top gun competition for pilots with the best overall performance

Captain Marc Charpentier of Lasalle, Quebec won the top shooter competition. Captains Garceau and Charpentier teamed up to win the top element competition.

Canadians are proud of our military men and women who risk their lives every day serving their country in their work and in peacekeeping missions around the world. They are no less proud of Canadian forces accomplishments for achieving top honours in rigorous training competitions.

I am sure I am joined by this House when I say to the pilots and ground crew of Team Canada congratulations to each and every one of you on a tremendous performance and a job well done.

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[*Translation*]

## INTERNATIONAL TRADE

**Mr. Mark Assad (Gatineau—La Lièvre, Lib.):** Mr. Speaker, over the next few years, China may become the number one country in the world for exports, and this is very important for Canada, considering that we are a major exporter. The decision made by the Prime Minister to go to China with the provincial premiers is a very important initiative. Indeed, we had to send our top officials to China in order to show that Canada means business when it comes to exports.

• (1410)

Consequently, I think the premier of Quebec should reconsider his decision and accompany the Prime Minister and the other provincial premiers to China. It is important that the leaders of a major exporting country such as ours show solidarity in such circumstances.

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## MANPOWER TRAINING

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, this past weekend, the daily *Le Devoir* reminded us of something which, unfortunately, we have known for a long time, namely that Canada has a poor record as regards manpower training. The author of the article even calls Canada the dunce among G–7 countries, as well as the black sheep of OECD.

In his discussion paper, the Minister of Human Resources Development admits that training programs are in a real mess. Quebec came to that conclusion more than five years ago at the forum on employment and asked for the transfer, to its government, of the whole responsibility for training.

The minister's action should be consistent with his findings, and he should announce, at last, that this responsibility will be transferred from the federal to the provincial government.

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[*English*]

## INFRASTRUCTURE

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, as the National Hockey League regular season remains on hold flooding continues to occur in Calgary Centre.

Unfortunately that flooding is not taking place on the ice in the Olympic Saddledome but in the worn out storm sewers of northwest Calgary. Recently Calgary residents had their homes flooded out for the third time this year while the $8 million infrastructure renovations to the run down, obsolete, dilapidated Saddledome continue without interruption.

This government defined infrastructure as physical assets instrumental in the provision of public services, not private. By the government's own definition this is not infrastructure money but a direct subsidy to private business.

I question the government's sense of priorities when the needs of the sports world outweigh those of the real world.

The only thing that is obsolete and dilapidated in Calgary is not the 10–year old Saddledome but the pork–barrel policies of this Liberal government.

Lest it forget, the debt today is $535,538,939,082.82.

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## PEACEKEEPING

**Mr. John Finlay (Oxford, Lib.):** Mr. Speaker, today is United Nations Day. One of the most significant functions carried out by the United Nations was initiated by Lester B. Pearson, a Nobel peace prize winner.

As our minister of external affairs, Mr. Pearson introduced a resolution to establish the first UN peacekeeping force. That force made up largely of Canadians intervened in the Suez Canal crisis. Canada's contributions to world peacekeeping have been outstanding.

This week we are asked to wear a blue ribbon, as my colleague opposite said, to honour the service of United Nations peacekeepers around the world.

On behalf of hon. members I thank Ms. Jocelyn Fleurant of British Columbia for her dedication in promoting this idea and I urge all my hon. colleagues to participate.

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## VIOLENCE

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, the shooting at a Brockton school compels us to think about violence and its prevention.

Clearly the possession of handguns is not a right but a privilege which must be tightly regulated. The weapon used at Brockton was illegal. The student fired a gun because he felt threatened economically. He reacted with an unacceptable violent act and ended up in jail.

How can violence be prevented if weapons are available illegally? Would longer sentences curb violence? Apparently not, judging from the United States.

I believe we must look at the root causes of violence, what we teach youngsters including through TV and videos, the adequacy of mental health services, economic and job security, adequate social housing and community services.

Clearly the roots of violence are to be found in society and family. In the end we will be more successful in preventing violence through socioeconomic measures and by doing away with the glorification of violence.

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## GUN CONTROL

**Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.):** Mr. Speaker, there is a matter of dire urgency that we as parliamentarians must deal with immediately. The urgency is the continuing problem of illegal firearm use on the streets of our country.

While I commend the right hon. Prime Minister for his position of establishing a registry for all firearms in Canada, I believe that more preventive measures need to be taken. The government must introduce deterrents to stop violence on our streets.

• (1415)

In April of this year I proposed a mandatory 10–year sentence for anyone convicted of using a firearm in the commission of a crime. I strongly believe this sentence should be in addition to whatever sentence the individual receives for being convicted of a crime.

The Criminal Code has to be amended to include this provision. Until it is done criminals will not get the message.

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## HUMAN RIGHTS

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, regarding the rights of same sex couples, the provincial NDP government recently proposed a bill in which gay and lesbian couples would be granted rights which only heterosexual couples now enjoy. The bill did not pass second reading and died.

My personal stand on the issue is that I object to any suggestion which would have homosexual couples treated the same way as heterosexual couples. Although I will fight against any discrimination whether it is on the basis of race, sex, religion or other, I do not believe homosexuals should be treated as families.

"My wife and I do not claim that we are homosexuals. Why should homosexuals pretend they form a family?" That statement is in a letter to a constituent written in June of this year by the Liberal member for Glengarry—Prescott—Russell. Obviously the Liberal whip wants to vote his conscience and according to the wishes of his constituency.

I call on the Prime Minister for a free vote so that the government whip can do just that.

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# ORAL QUESTION PERIOD

[*Translation*]

## FEDERAL INTELLIGENCE AGENCIES

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, on October 19, the Prime Minister said in this House that in his thirty years as a politician, he had never been advised of any spying activities.

Saturday, however, as he left a special cabinet meeting, after questions by the Bloc about the confessions of spy Mike Frost and additional revelations made the day before on the CBC French network's news program, the Prime Minister suddenly announced he had specifically instructed his ministers not to spy on citizens who are conducting legitimate operations.

My question is directed to the Deputy Prime Minister. When was the Prime Minister advised that federal services were spying or had spied on Canadian citizens engaged in legitimate activities?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, that is exactly what the Prime Minister did not say. What he said, what he repeated in the House, what he repeated Saturday and what he repeated to everyone is that he never, never, never was involved in spying on any political party whatsoever. He would appreciate the same courtesy being extended to all Canadians. That is what he said Saturday and what he said last week, and that is this government's policy.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the Deputy Prime Minister says that the Prime Minister was never involved in spying activities. That is not the question. The question is about the federal government and federal services.

According to official information released in 1991, the CSE's intelligence and security activities are the responsibility of the Privy Council and thus of the Prime Minister. Consequently, the present Prime Minister has direct access to information collected in the past by the CSE.

My question is whether, considering recent revelations, the government has specifically checked with the CSE whether sovereignist figures like René Lévesque, Jacques Parizeau or Louise Beaudoin have ever been under electronic or other surveillance.

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the hon. member's premise is false. Second, Saturday, the Prime Minister himself defended the right of separatists to express their views and do their job in a legitimate manner. I wonder whether the hon. member is referring to what might have been a policy in the past? Does he refuse to take the Prime Minister at his word when he says that all Canadians, including separatists, have the right to do their job without being monitored or spied on? Does he not take the Prime Minister at his word?

• (1420)

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I do not accept answers that are full of holes and hidden meanings. There are those who know and those who do not want to know. Obviously, the Prime Minister and the Deputy Prime Minister belong to the latter group, those who would rather see no evil and hear no evil.

**Some hon. members:** Hear, hear.

**Mr. Bouchard:** They would rather not see or hear about illegal activities.

I want to ask the Deputy Prime Minister, as a guardian and the government which is also a guardian, in the broader sense, of our fundamental rights, to tell us, and the question is the same one I asked earlier, and I would now like a precise answer: Did the government check with the CSE whether the CSE had ever spied on René Lévesque, Jacques Parizeau or Louise Beaudoin?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I said Friday, and the Prime Minister said last week and he said it again on Saturday: the CSE has no mandate to spy on any Canadians, including members of the Parti Quebecois, the Bloc Quebecois, the Reform Party, the Liberals or any political party. They do not have the right to engage in spying. Is that clear?

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, my question is for the Deputy Prime Minister.

Saturday, after a cabinet strategy meeting, the Prime Minister tried to minimize the extent of the revelations concerning the spying activities of federal agencies. He said that he was not interested in this kind of thing or in what happened under previous governments, including those under which he served.

Can the Deputy Prime Minister tell us what important piece of news her government has learned lately, which prompted it to give clear instructions putting an end to spying on citizens engaged in legitimate political activities?

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I realize members opposite are looking for an issue. Let me tell them that they are looking in the wrong place.

There is no smoking gun. The Prime Minister has repeated the position of the government, that the service in question has no legal right to spy on any Canadian, including legitimate political parties.

[*Translation*]

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, I have a supplementary for the Deputy Prime Minister.

Are we to understand that the instructions the Prime Minister hastily gave this week-end were only aimed at reassuring the public following extremely serious revelations concerning illegal activities on the part of federal intelligence agencies?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, on Saturday, the Prime Minister confirmed, as he did last week, as I did on Friday, as we will undoubtedly do when answering questions tomorrow and the day after, that the CSE does not have the mandate to spy on Canadians. The Prime Minister, true democrat that he is, stressed that no MP, no political party, including separatists, should be spied on. Because he is a real democrat, he is looking forward to meeting the separatists on the battle field, and the real battle field will be the referendum, when they are brave enough to set a date for it.

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[*English*]

## THE ECONOMY

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, the C. D. Howe Institute put it bluntly when it said that the 3 per cent of GDP deficit reduction target signalled the lack of urgency. Many question whether the government will seize the opportunity to get its financial house in order at all.

C. D. Howe, the *Globe and Mail*, the *Financial Post* and other commentators speak for a growing contingent that criticize the finance minister for not moving decisively toward the goal of a zero deficit.

The economic growth which Canada temporarily enjoys affords the government a great opportunity to put its fiscal house in order. I ask the finance minister: Will the government abandon its timid deficit reduction target of 3 per cent of GDP in favour of the more ambitious target of eliminating the deficit by the end of its current term in office?

• (1425)

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec, Lib.):** Mr. Speaker, the C. D. Howe Institute has made a very constructive contribution to the debate. I would only hope the Reform Party might emulate the C. D. Howe Institute and attempt to make a constructive contribution to the debate.

Let me simply say that we are going to stay with our 3 per cent target because it is by far the best way to keep everybody's feet in the fire. As the hon. member knows, our ultimate goal is to eliminate the deficit.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I assure the finance minister that the Reform Party is doing all it can to help him to convince his caucus to move in the right direction and reduce government spending.

The minister's plan to trim the deficit will in three short years add $100 billion to our debt and increase the annual interest payments from $40 billion to $50 billion. If the government cannot do better than that we will be in a disastrous position when the business cycle delivers its next economic downturn, a recession.

Because our economy is not recession proof, is the finance minister willing to risk the economic consequences of going into the next recession with a $25 billion deficit, a $50 billion yearly interest bill and a $630 billion total national debt?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, it is quite obvious the hon. member opposite watched the presentations last week. He now seems to have demonstrated an understanding of compound interest for which I would congratulate him.

That being said, instead of planning for the next recession, perhaps the hon. member and his party might emulate the C. D. Howe Institute he cited in his preamble and begin to make constructive suggestions on how we might hit the target.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, the finance minister knows well we have tabled plans that would help him to accomplish the goal he has asked us to accomplish. We are willing to work constructively.

It took a year for the minister to admit that the Reform Party was on the right track and he was on the wrong track with regard to meeting his wimpy deficit targets. I hope he takes our advice a little more quickly this time.

The minister has set aside a contingency fund of $3 billion for the 1996–97 fiscal year. If the finance minister commits this fund to deficit reduction he will only be halfway to meeting his target.

**The Speaker:** The questions are little long today, probably because it is Monday. I would ask the hon. member to put his question forthwith.

**Mr. Hermanson:** Is the finance minister looking for cuts exclusive of the $3 billion contingency fund he has, or are his deficit reduction goals so timid that he is banking on the contingency fund to meet his deficit reduction target?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the answer to the member's question is on page 10 of the grey book. I would suggest that he read it. It is only a paragraph and a half. If he reads the rest of the book I am sure he will find the answers to a number of other questions he raises.

I would like to say one thing. The questioner has said that the Reform Party has tabled its plans so that we might see them. We have given members of the Reform Party an opportunity here in the prebudget debate; they had absolutely nothing to say. They have had the summer and they are now sitting on the finance committee.

The Reform Party has not tabled any plans. It has not given us any suggestions. It has done nothing but engage in empty rhetoric.

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[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, my question is for the Deputy Prime Minister. The Communications Security Establishment concluded co-operation agreements to exchange information with intelligence services in seven foreign countries. The establishment conducted electronic surveillance of two ministers in Mrs. Thatcher's British government, at the request of Mrs. Thatcher herself.

Can the Deputy Prime Minister confirm that the directives supposedly given last weekend by the Prime Minister also include forbidding the Communications Security Establishment to have others carry out its dirty work of electronically spying on Canadian citizens?

• (1430)

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, unfortunately, the member is qualifying his questions on the basis of an uncorroborated book which has already been characterized by the Prime Minister of Britain as claptrap.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, can the Deputy Prime Minister tell us if she checked the accuracy of allegations that the Communications Security Establishment conducted electronic surveillance of two ministers in the British government led by Mrs. Thatcher, and what did the CSE get in return?

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, these unfounded allegations were the subject of an analysis by the Prime Minister of Britain who himself characterized them as claptrap.

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## PUBLIC SERVICE

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, my question is for the minister for renewal in the public service. Will the minister give us a date for the tabling of his public service program review?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the program review is not something for tabling.

The member should have checked what I said at the recent press conference where I indicated exactly what it is. The program review is a series of reviews by a cabinet committee that will make recommendations that will fit into the budgetary process. The program review at present has not yet come to conclusions but we are working to be able to make them within the next few weeks to the Minister of Finance.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, on November 5 of last year the minister promised renewal in the public service. In March he launched his program review. It is almost 12 months later and surprise, surprise, there is still no review evident. One year later it is like every other Liberal policy. It has been reviewed, revisited, rehashed and reduced to vague generalities.

The departments have already submitted their workforce adjustment plans to the minister. Will the minister release these departmental plans right now since I believe they will be a significant factor in the upcoming social policy review?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the program review itself is not an input into the social policy review. It is a parallel path.

The member is confusing this with the agency review which so far has permitted us to abolish 21 agencies and more than 275 GIC appointments with the program review which is part of the budgetary process. The budget happens once a year. When one starts reviewing programs for the next budget, obviously one does it right after the previous budget and it is going to last a year.

The member will have to wait until the budget of the Minister of Finance to know the conclusion.

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[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, in response to questions from the Leader of the Opposition, the Deputy Prime Minister said on a number of occasions that the CSE is neither authorized nor mandated to spy on political figures. Nor was the RCMP authorized to commit crimes in 1970, but this did not stop it from doing so just the same, and under a Liberal regime at that.

We do not want to know whether the CSE is authorized or mandated to do it, but if it did do so. Can the Deputy Prime Minister, from her seat, assure us that it did not? Can she give us this assurance?

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the member talks about what happened 24 years ago.

What happened 24 years ago resulted in a royal commission and substantial changes to the Canadian intelligence security service. What is happening today is that the CSE is governed by the laws of Canada, prohibiting it by law from spying on Canadians. I cannot see any clearer than that.

The Prime Minister repeated his assurances on the weekend as I repeated in the House last week. There is absolutely no mandate for the CSE to be engaged in spying on Canadians.

• (1435)

[*Translation*]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, does the Deputy Prime Minister realize that her very efforts to respond in a roundabout way in order to evade the question, as other government members have, are in themselves an admission of the fact that sovereignist figures in Quebec have indeed been spied on? Otherwise, let us hear her state clearly, from her seat, whether they have or not. Yes or no?

**Hon. members:** Hear, hear!

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, whether I state it on Thursday, Friday, Saturday, Sunday or Monday, in French or in English, the fact remains that the CSE does not have a mandate to spy on Canadians. I might add for the benefit of the hon. member opposite that, personally, the only spy I have known in the past was Claude Morin.

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[*English*]

## IMMIGRATION

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, immigrant sponsorships are breaking down and this minister has not done a thing to enforce them.

Peel region in Ontario recently reported to the minister that up to 70 per cent of sponsorships are breaking down and ending up on welfare. Even the *Globe and Mail* is admitting that sponsorships, despite being a contractual agreement, are not worth the paper they are written on.

Can the minister of immigration tell this House if he thinks the enforcement of this program has failed?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the family sponsorship breakdown is of concern. Certainly the consultation process has said that very loud and clear.

Currently roughly 14 per cent of family class sponsorships do break down at an estimated cost of roughly $700 million to the federal and provincial treasuries. It is something that I think is of concern. I ask the member to await November 1 when the government will present its levels for immigration in 1995. We will very clearly address this concern.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, is the minister aware of a family which has collected more than $106,000 in unemployment insurance and welfare in the last five years and now has sponsored five more relatives, or a man who was illegally collecting unemployment insurance who just sponsored his wife? These applications were approved by the Immigration and Refugee Board.

If the minister does not think that the sponsorship program is failing, then will he recognize that the Immigration and Refugee Board has once again proven its stupidity and should be scrapped?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, talking about stupidity, I think the member should listen to the answer before reading his second question. I said very clearly that family—

**Some hon. members:** Oh, oh.

**The Speaker:** I am sure the hon. minister will want to rephrase his answer just a little bit at the beginning of the answer.

**Mr. Marchi:** I thought since he was throwing the word over we might have a tit for tat, but I respect the Chair's position.

What I want to say, which I said in the first answer very clearly, is that the government is concerned about the minority, nonetheless a very expensive proposition for taxpayers to pick up. I have met with officials from the region of Peel in my office. I have discussed the problem with them. Our officials have discussed the problem with them. We do have a solution and it will be announced on November 1.

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[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, my question is for the Minister of National Defence.

Since last week, the minister is refusing to provide any information on the activities of CSE, as though the subject were taboo. I hope that I will have more luck than my colleagues and that the minister will give a real answer.

Will the Minister of National Defence tell us who is the director of the Communications Security Establishment? Who is responsible for the 1,800 employees of that agency?

• (1440)

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I think that the government has been quite forthcoming with answers on this particular matter given the fact that we are dealing in areas which are somewhat sensitive and deal with our relations with our allies.

With respect to the CSE in particular, it is a fully constituted part of the Department of National Defence. Its budget is included in the departmental estimates. If the hon. member has any specific questions he can come to the defence committee and ask questions.

The Minister of National Defence is accountable to the House of Commons. Certainly I am prepared to answer questions in committee on the security establishment.

The answers that were given by the Deputy Prime Minister and the Prime Minister are accurate. The CSE complies with the Charter of Rights and Freedoms, the Criminal Code, the Privacy Act and Canadian human rights legislation. In fact in 1987 the former privacy commissioner, Mr. John Grace, had an examination made of CSE's activities and found that all was in order and all was compliant with Canadian law.

[*Translation*]

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, I guess I do not have any more luck than my colleagues. It seems to me that I did not get an answer. My supplementary question is as follows: Who is in charge of the Communications Security Establishment and its 1,800 employees?

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I gave the answer. I am sorry the hon. member does not understand it.

The Communications Security Establishment reports to the Minister of National Defence who is a member of cabinet and who answers to this House of Commons.

* * *

## AIRPORTS

**Mr. Dan McTeague (Ontario, Lib.):** Mr. Speaker, my question is for the Minister of Transport.

I recently attended a Transport Canada public meeting in my riding on the southern Ontario area airport study. This study is in part examining if there is a need for a future airport on federal lands in Pickering, a legacy that has been going on for some 25 years. Related to this is the question of what will be done with the lands which have already been declared surplus.

What assurance will the minister give this House that the result of the study will be made public before a final decision is made on Pickering airport and of course on the surplus lands?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, the study is ongoing. It should be concluded fairly soon. I am prepared through you, Mr. Speaker, to undertake to the member and to the House that as the reports are completed we will make them public. They may not all be done at the same time. There are technical studies being done and whether they have to do with the airport construction in the future or the disposal of surplus lands. We will make the reports public as soon as they are completed.

## NATIONAL DEFENCE

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Responding to questions on the Lagueux report, the Minister of National Defence claimed that the report in no way implicates any of the senior officials in the department. Yet two directors general were reprimanded as a result of it. One subsequently committed suicide. The other was promoted one category and still occupies that same position. In fact, access to information reveals that two years after the Lagueux report this individual was still regularly approving contracts for amounts in excess of her authorization.

Will the minister explain these inconsistencies in his response, especially since he claimed that the problems and the individuals concerned had been dealt with?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I should emphasize that all of these activities predate this government. We are very concerned with ensuring that all matters pertaining to the administration of the Department of National Defence are done in an appropriate manner.

With respect to my comments earlier in the House, we were talking in the context of the deputy minister and assistant deputy ministers. I do recognize that senior people at the level of DG have been disciplined. There was one unfortunate occurrence to which the hon. member referred.

I should also say, because the hon. member and his colleagues seem to believe there is something being hidden, that the Auditor General has been fully aware of this file for the past year or two. He has been kept fully abreast of all the details pertaining to this matter. Indeed he has the right to initiate any inquiry—in fact, I would invite him to do so—if he feels that the actions being taken internally are insufficient.

Those actions have involved the RCMP, the Public Service Commission and other internal investigative organizations in government. It means that if the Auditor General wishes to initiate an investigation he may do so. All he has to do is let our officials know.

• (1445)

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Mr. Speaker, the Auditor General, as we have been informed in this Parliament, is an extremely busy individual. I doubt that he has time to isolate individual investigations of this sort.

I am informed from within the department that this situation has resulted in poor morale and even fear of retribution for people who speak out.

How can the minister justify failing to commission a professional, independent, clearly unbiased investigation into these areas of defence department management procedures? By refusing to take such action he is lending credibility to the perception that something is very wrong in his department.

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, first of all concerning the Auditor General, at any one time in national defence the Auditor General is conducting between seven and twelve audits.

The Auditor General has known about the situation in that particular administrative unit for a couple of years and has been briefed on how the department is dealing with it. At no time has he felt that a further investigation was warranted. If the Auditor General wishes to conduct such an investigation, he may certainly do so.

As far as morale is concerned, Mr. Speaker, when you get a unit with about 45 or 50 people in it, where there have been allegations of misappropriation of funds, where there have been allegations of harassment and improper contracting practices, where a criminal charge has been laid and somebody is convicted, of course that hurts morale.

I would ask the hon. member not to contribute to trying to make morale, which is otherwise good in the national defence department, seem any less secure than it really is by the misguided charges that he and his colleagues have been making over the last number of weeks.

* * *

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Jean–Paul Marchand (Québec–Est, BQ):** Mr. Speaker, on Saturday, the Prime Minister issued instructions putting an end to the surveillance activities of the Communications Security Establishment involving thousands of Canadian citizens on whom the CSE has important data banks collected through listening in on their telephone conversations.

My question is for the Minister of Defence. Can he tell us exactly what action he has taken, following the Prime Minister's instructions, to put an end to the operations of the "French Problem" unit or any other unit of the CSE involved in the same kind of activities?

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, with respect to the Prime Minister's remarks on Saturday I believe that the Deputy Prime Minister's response covered that quite adequately.

As far as the operations of CSE are concerned, we do not target the communications of Canadians, pure and simple. Beyond that I will not say anything else.

[*Translation*]

**Mr. Jean–Paul Marchand (Québec–Est, BQ):** Mr. Speaker, does the minister intend to take action against those who were involved in illegal surveillance operations?

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I totally reject any implication carried in the hon. member's question.

* * *

## GUN CONTROL

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, because the Prime Minister clearly does not understand the problem, we have the headline in Toronto's Saturday *Star* that says: "Every gun will be registered". However we have the real story on page 15: "Smugglers swell gun numbers. I can sell everything I can get, underground dealer says".

My question is for the Minister of National Revenue. When is he going to wake up and start to do something about the real problem, which is illegally smuggled weapons?

**Hon. David Anderson (Minister of National Revenue, Lib.):** Mr. Speaker, the hon. member may have forgotten that on February 8 the government launched a quite dramatic 25 per cent increase in surveillance at the border. This was in relation to cigarettes and alcohol, but concerned as well smuggled weapons.

We have expanded quite dramatically this year the resources going into the protection at the border posts from these various items which we are attempting to pick up.

• (1450)

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, on Friday last week some people from the minister's office were in my office. They gave me the same answer the minister just gave the House: There really is no problem.

The problem is that we have people dying on the streets of Canada. The problem is being fed with weapons that will never be registered.

Will the minister at least undertake a review of the processes so that the problem can be uncovered? Thousands of weapons are coming across the border illegally.

**Hon. David Anderson (Minister of National Revenue, Lib.):** Mr. Speaker, the review the member requests is already under way. It is well known that myself, the Solicitor General and the Minister of Justice are attempting to do whatever the government can to produce changes to our existing system so that we can decrease the number of smuggled weapons.

I would remind the hon. member of a fact of which he appears unaware. We have 130 million border crossings annually between the U.S. and Canadian border. The United States is a country which has very widespread ownership of handguns in particular, but also other weapons. It is extremely difficult to interdict the weapons coming across under normal circumstances. We have to have a concerted program involving the American authorities, ourselves and many government agencies to reduce the number of weapons.

We certainly wish to do everything we can to reduce the number of smuggled weapons coming into Canada.

* * *

## ULTRAMAR CANADA

**Mr. Ron MacDonald (Dartmouth, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

Ultramar Canada has begun the decommissioning of its eastern passage refinery in Nova Scotia even though its request to do so, which was filed with the Bureau of Competition Policy, is in legal limbo and even though it is refusing to negotiate seriously with a potential purchaser who could keep the plant open and maintain competition as well as nearly 150 jobs.

Since it is clear by the time the bureau may get to rule that this plant may be nothing but a pile of scrap metal, is there anything the minister can do to expedite this situation and if not, why not?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, first let me say that I share the member's concern for the employees and their families at this Ultramar facility, concerns that he and his colleagues from the Halifax area have raised repeatedly with me over the last few months.

As he is aware, the undertakings to the director of investigation and research by Ultramar are a contractual matter to be dealt with by the director. Under the Competition Act the director is an independent law enforcement officer and I cannot interfere with that role.

The legal action initiated by the Attorney General of Nova Scotia against the director and Ultramar has had the unfortunate effect of preventing the director from carrying out his responsibilities to deal with the issues of material adverse change and the sale process relating to the refinery.

Given that the matter is before the courts and despite my real concern for the employees involved, it is inappropriate for me to comment further at this time.

* * *

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, my question is directed to the Deputy Prime Minister. On October 20, the Deputy Prime Minister said in this House,

and I quote: "The activities of the CSE are in no way directed to Canadians, including people involved in politics".

Does the Deputy Prime Minister agree that the personal information collected by the CSE is covered by a non–disclosure exemption pursuant to Order in Council?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Yes, Mr. Speaker.

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, how could the Deputy Prime Minister be so positive and rule out any possibility of spying on Canadian citizens, when the exemption granted the CSE regarding non–disclosure of personal information covers the entire category "general public", in other words, everyone in Canada?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, what I said Friday about the CSE is true. They are covered by the Criminal Code. They are subject to all Canadian laws, including the legislation to which the hon. member referred. Otherwise, if they were not covered, how could they be exempted?

* * *

• (1455)

[*English*]

## CANADIAN RADIO–TELEVISION AND TELECOMMUNICATIONS COMMISSION

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question is for the Minister of Canadian Heritage. The president of the CRTC has said that if private carriers do not voluntarily choose to carry French CBC Newsworld then action will be taken to impose it.

This decision is another example of misguided government intervention. Why will the minister not let the free market determine what Canadians want to see on television?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, there has been no Canadian government intervention at all. There has been a commitment by the president of the CBC and comments made by the president of the CRTC. That is all.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, this action is nothing more than a $32.7 million dollar tax grab to add to the already burgeoning $1.1 billion CBC subsidy. The federal government is making all Canadians pay for a system they may not even use. How can the minister justify this?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I think our colleague is very confused. A while ago the CBC applied to provide a certain service on specialized channels. The CRTC has granted that application. This is in keeping with the law. The CRTC is an arm's length agency and the Canadian government, including the minister, is not interfering in the process. There is no grab there.

I can understand that our colleague would have difficulty accepting all of this, because as she said in *Hansard* at page 6986: "I agree with nothing".

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## LEGAL ASSISTANCE AGREEMENT

**Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, today Canada and India signed a treaty on legal assistance between the two countries on criminal matters.

My question for the Solicitor General is in the form of concern on the part of some Canadians. They are concerned whether the treaty will in any way impinge on their basic rights and in any way subject them to more harassment.

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, the mutual legal assistance agreement signed today between Canada and India is not intended to infringe basic rights or create harassment of anyone. It is designed to intensify co–operation between law enforcement authorities in Canada and in India. It is similar to agreements we already have with a number of other countries.

* * *

## SOCIAL PROGRAM REFORM

**Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP):** Mr. Speaker, I have a question for the Deputy Prime Minister. It is about a contradiction in the social security green paper. There is much rhetoric in the paper and from the government generally about the importance of education, skills upgrading and training, with which we all agree.

Could she indicate how her government's policy is designed to double or triple tuition fees and put student loans through the roof? How can that policy support the notion of Canadians becoming more educated, better trained and having their skills upgraded?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I want to thank the hon. member for the question because I believe him when he says that he is interested in embarking on a real public exercise. I know he will join me in congratulating the Minister of Human Resources Development, who got a real vote of confidence from the people of Canada with the survey on the weekend that showed an overwhelming number of Canadians support real change.

The minister is proposing a real change from the current system whereby we would be putting dollars directly into the hands of students. We do not want to see the post–secondary system starved. At the present moment if we continue on the downward course of cash transfers, that is exactly what is going to happen.

The minister has proposed a very ingenious way of delivering dollars directly into the hands of students so they can go to the post–secondary institution of their choice.

* * *

• (1500)

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, the government claims that no illegal spying is going on. But we do not know who is running the CSE, to whom it is accountable, what kind of a budget it gets or the nature of the agreements it enters into with foreign intelligence agencies.

Can the Deputy Prime Minister give the people of Quebec the assurance that the upcoming referendum debate will not be conducted under the aura of espionnage, as was the case previously?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister himself stated over the weekend that he wants to fight the referendum battle on the real issues, the issue of jobs, of economic growth, of hope for Quebecers within Canada. As for myself, I cannot wait for the separatists to have the courage to call the referendum instead of making up stories about the CSE.

* * *

[*English*]

## SMALL BUSINESSES

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, my question is for the Minister of Industry.

After six months of co–operation and hard work by all members of the standing committee including all parties in the House, the report was tabled last week. Many of the recommendations will be of great benefit to small businesses across Canada.

Will the minister commit to the House when he will implement the recommendations in the report?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, first I thank the hon. member and his colleagues in the Reform Party as well as in the Bloc Quebecois for their work together with members of the government on producing a report which is virtually unanimous in all of its recommendations. It makes a real contribution.

I agree with many of the recommendations in the report. I hope to be able to act on some of them very quickly. We will of course respond to the report in the normal course within the timeframes required. Some will require more study; some will require discussion with the Minister of Finance. But some, as I said, I hope to implement very soon.

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## PRESENCE IN THE GALLERY

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of the hon. Shankarrao Bhaorao Chavan, Minister of Home Affairs, India.

**Some hon. members:** Hear, hear.

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# ROUTINE PROCEEDINGS

[*English*]

## GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 60 petitions.

* * *

[*Translation*]

## UNITED NATIONS DAY

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, today, October 24, is United Nations Day. Forty–nine years ago, on October 24, 1945, the Charter of the United Nations came into effect.

• (1505)

This anniversary is cause for special celebrations as it marks the beginning of the 50th year of operation of this organization.

I wish to thank all the Canadian men and women who have contributed over the past 49 years to building this great international organization. I am particularly grateful to those who promoted its growth over the years, as events unfolded, ensuring that it remain an organization concerned with meeting the major challenges of modern–day and with working relentlessly to promote international peace and security.

Allow me to take this opportunity to emphasize the outstanding contribution of the men and women who risk their lives to defend the principles the UN stands for. I am thinking in particular of the 2,745 or so members of our Canadian Armed Forces and Royal Canadian Mounted Police serving under the UN flag in more than nine peacekeeping operations around the world.

[*English*]

I also thank the United Nations Association in Canada which through its efforts has made the work of the United Nations organization known to the Canadian general public.

During this year of celebrations which begins today the association would be doubly involved on the Canadian scene. On one hand, it will continue its daily work and, on the other hand, via the Canadian committee for the United Nations 50th anniversary, will co–ordinate the activities that will take place throughout the year in commemoration of this important event.

The field of activity covered by the United Nations is the cornerstone of Canadian foreign policy. The challenges facing the UN in matters of peacekeeping, international security, the promotion of democracy and the struggle for equality and human rights are all considered vitally important in Canadian eyes as well.

More than ever the community of nations and states needs a strong, credible, international institution equipped with the proper tools to face the challenge that awaits it at the dawn of the 21st century.

In closing, I ask all members of the House to support this declaration since it reaffirms Canada's commitment to the values that presided nearly half a century ago over the creation of the United Nations organization, a multilateral institution which today more than ever is a necessary part of internationalism and its ideals.

[*Translation*]

**Mrs. Christiane Gagnon (Quebec, BQ):** Mr. Speaker, on behalf of all Bloc Quebecois members, I am pleased to announce that today, October 24, is United Nations Day and marks the 50th anniversary of this international organization.

In a speech he gave in Montreal in May 1992, United Nations Secretary–General Boutros Boutros–Ghali reminded us that "to relate to the universal, one must first be true to oneself. That is why sound internationalization of modern life must be based on a solid sense of identity. Excessive or misunderstood internationalization could destroy cultures and melt them into a standard culture, from which the world has nothing to gain".

This quote is particularly significant today, when the UN will undergo—soon, we hope—an extensive reform. It faces many challenges in the months and years to come.

One of these challenges is the emergence of many new international players the UN will have to deal with. The radical changes in the international geopolitical context have led to a large increase in the number of players. Because of this, the new problems facing the international community have become even more complex and varied.

• (1510)

There is, however, something good in this as it reflects the reality, the will of the people.

We are pleased to note that the UN is concerned about a standard culture replacing national identities at a time when the Canadian government shamelessly claims that there is only one culture in Canada, a so–called Canadian culture. It is partly to fight this standardization process that the first action of a Quebec having achieved sovereignty following a fully legitimate process under international law will be to integrate into the complex web of multilateral relations by applying to join the UN.

In closing, I wish to express our sincere thanks to the United Nations Association in Canada and to all Quebecers and Canadians who helped shape the UN and make it so respectable in our eyes.

[*English*]

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, on the eve of the 50th anniversary of the UN and on United Nations Day, as Reform foreign affairs critic I would like to express my support for the values and goals set forth by the original UN charter: collective security, freedom, justice, and human development.

With each passing decade the universality of these values has become more widely accepted and the UN has played a strong part in this evolution. As we all know, Canada has played a pivotal role in the strengthening and development of the United Nations. Through our innovation in the field of peacekeeping, our dedication to the principle of co–operative multilateralism and our unfailing dedication to world peace and human development, Canadians have provided a fine example for the world community to follow.

I especially thank all those Canadians who have had a direct hand in making the United Nations a success. We thank our peacekeepers, past and present, our UN relief workers and all other dedicated Canadians who have worked to promote the principles and the goals of the UN.

A great deal of work remains, however, and the United Nations must certainly reform in order to modernize and prepare for the 21st century. This is work that must progress quickly. Canada should play a leadership role in making sure that greater efficiency, responsiveness, accountability and transparency are achieved in coming years.

The United Nations can be made better. As members of the House we should rededicate ourselves to making it happen. On its 50th anniversary and United Nations Day let us all stand up for the principles we cherish and for which the United Nations has been fighting for 50 years: international peace and security, human rights and justice, and contributing toward the social progress and better standards of life in larger freedom.

**The Acting Speaker (Mr. Kilger):** The member for Burnaby—Kingsway is rising in his place. A request came from the member for unanimous consent to be able to reply to the topic we are presently covering. Is there unanimous consent?

**Some hon. members:** Agreed.

**Mr. Svend J. Robinson (Burnaby—Kingsway, NDP):** Mr. Speaker, I thank the House for permitting me to respond. I will be very brief.

[*Translation*]

I would like to join other hon. members in commemorating United Nations Day and the 50th anniversary of the founding of the United Nations.

[*English*]

On behalf of my colleagues in the New Democratic Party, I join in paying tribute today particularly to those Canadian men and women who have done so much to strengthen and build the United Nations.

Our peacekeepers around the world—and Canada has played a leading role in peacekeeping—have obviously made Canadians very proud, as well as other Canadian men and women who are active within the United Nations structure.

We certainly join with the Minister of Foreign Affairs in urging significant reform of the United Nations. The concept of a standing army that is able to respond at short notice is one that we welcome. As well we believe there should be far more focus on preventive diplomacy, on the opportunity to prevent crises from developing into national and in some cases international tragedies.

• (1515)

We also support the concept certainly of an international tribunal to judge war criminals, to bring to justice those responsible for war crimes and crimes against humanity.

Finally I want to say that we in this party strongly support the concept of broadening the base of the United Nations to encompass a United Nations parliamentary assembly. While we recognize that this is a step that may take some time to develop, certainly we want to encourage the foreign minister in the actions that he is taking to develop support for this concept both in Canada and globally.

In closing, once again I want to join in congratulating those involved both in Canada, NGOs in Canada who support the United Nations, and globally—

[*Translation*]

Congratulations to everyone on this 50th anniversary of the United Nations and United Nations Day.

[*English*]

## CANADIAN ENVIRONMENTAL ASSESSMENT ACT

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.)** moved for leave to introduce Bill C–56, an act to amend the Canadian Environmental Assessment Act.

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

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## PETITIONS

### YOUNG OFFENDERS ACT

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, it is my pleasure to rise today and present this petition on behalf of citizens from coast to coast who are calling for changes to the Young Offenders Act.

They want an act serious enough to deter young people from committing crime and tough enough to provide real justice.

There are many Canadians from coast to coast who feel that the Young Offenders Act does not meet its objectives and in some instances actually contributes to an increase in crime by weakening penalties against delinquents and does not deal with repeat offenders in a strong fashion.

I have the pleasure of presenting this petition on behalf 284 petitioners.

### ASSISTED SUICIDE

**Mr. Svend J. Robinson (Burnaby—Kingsway, NDP):** Mr. Speaker, I have the honour to present a petition which is signed by hundreds of petitioners from across Canada, and in particular from my own constituency of Burnaby—Kingsway, from Port Moody, from Kamloops and a number of other jurisdictions.

The petitioners draw to the attention of the House the fact that the current Criminal Code denies people who are suffering from terminal or irreversible and debilitating illness the right to choose freely and voluntarily to end their lives with the assistance of a physician.

Therefore the petitioners call upon Parliament to amend the Criminal Code to ensure the right of all Canadians to die with dignity by allowing people with terminal or irreversible and debilitating illness the right to the assistance of a physician in ending their lives at the time of their choice and subject to strict safeguards to prevent abuse and ensure that the decision is free, informed, competent and voluntarily.

HUMAN RIGHTS

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, I have the honour to present two petitions today from people in my area.

The first is signed by 40 petitioners from New Westminster, Burnaby and the lower mainland. They join with many Canadians who are greatly concerned over the stated government agenda in amending the Canadian Human Rights Act.

They request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibitive grounds of discrimination the undefined phrase sexual orientation.

JUSTICE

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, my second petition is signed by 131 residents of communities in my area.

They present this petition in memory of Dawn Shaw. For their sake I would like to go over some of the things they have mentioned. They are concerned that the present justice system fails to protect the children of our communities who are increasingly becoming victims of sexual assault. Judges should not be allowed to drop sexual assault charges because of a delay in bringing a case to trial. Jail sentences for sexual assault offenders should be lengthened for any person convicted of sexual assault.

• (1520)

Community interests should be protected by permitting police to take DNA samples from persons suspected of sexual assault. Sexual offenders should undergo monitoring by police. Pedophiles and sexual offenders should be required to register with police in their community of residence and the police be required to contact schools and agencies.

In memory of Dawn Shaw they request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to assure conviction of those offenders.

HUMAN RIGHTS

**Mr. Brent St. Denis (Algoma, Lib.):** Mr. Speaker, I have two petitions today.

One is from several hundred constituents mostly from the western end of my riding near Sault Ste. Marie, Echo Bay and Desbarats. They wish to make the public aware of their deeply held concerns over the subject of same sex legislation.

ASSISTED SUICIDE

**Mr. Brent St. Denis (Algoma, Lib.):** Mr. Speaker, my second petition is from several dozen constituents from the Elliot Lake area of my riding who wish Parliament to be aware of their deep concerns over the subject of assisted suicide.

HUMAN RIGHTS

**Mr. Charlie Penson (Peace River, Ref.):** Mr. Speaker, I have before me four petitions that have been signed by 1,101 people in my riding of Peace River. These petitions deal with the subject of extending privileges to same sex couples.

The petitioners request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval for same sex relationships or homosexuality.

They also ask that the human rights code not be amended to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

I share the views of these petitioners.

PAROLE

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, on behalf of the Canadian Police Association I am pleased to submit a petition with 356 signatures. These petitioners from Manitoba call on the House of Commons to repeal section 745 of the Criminal Code of Canada to ensure that convicted murderers sentenced to life imprisonment of 25 years not be able to apply for parole review after serving only 15 years of their sentence.

I wholeheartedly support these petitioners.

GUN CONTROL

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I rise today to present a petition from residents in Okanagan—Similkameen—Merritt who continue to be concerned about the suggestion of increased legislation for firearms owners.

The petitioners point out that current legislation regulates the acquisition and possession of firearms through a complex, expensive and rigorous regulatory scheme and the petitioners are opposed to further legislation for firearms acquisition and possession. They call on government to provide strict guidelines and mandatory sentencing for the use or possession of a firearm in the commission of a violent crime.

I concur with my petitioners.

EUTHANASIA

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, I wish to present two petitions on behalf of the constituents of Simcoe Centre. The petitioners request that current laws regarding active euthanasia be enforced.

HUMAN RIGHTS

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, my second petition requests that the Government of Canada not amend the Human Rights Act to include the phrase sexual orientation. The petitioners are concerned about including the undefined phrase sexual orientation in the Canadian Human Rights Act. Refusing to define the statement leaves interpretation open to the courts, a very dangerous precedent to set.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I have two petitions today and I am glad you waited for me to the last.

I have the privilege of presenting a petition signed by 174 of my constituents. Their concern has led them to sign a statement which says that the majority of Canadians believe that same sex couples should not receive the same privileges as heterosexual couples. I share their belief that all Canadians are already protected under the current human rights code and that including the undefined phrase sexual orientation is both unnecessary and unwise.

ABORTION

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I also have the privilege of presenting a petition signed by 101 of my constituents regarding the issue of abortion and now that an abortion clinic is opening across the street from Parliament the issue is receiving new life and I think a new profile once again.

My constituents request that Parliament act immediately to extend protection to the unborn child.

I share their concern that there is currently no Canadian law that addresses this serious issue.

MINING

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents of Logan Lake and a number of surrounding communities that point out that Canada's mining industry is the mainstay of employment in over 150 communities across Canada.

• (1525)

They point out that the Canadian Mineral Industry Federation has proposed a 10–point plan of action to be addressed by both the mineral industry and the Government of Canada to keep mining in Canada.

Therefore, they call upon Parliament to take action that will generate employment in the mining sector, promote exploration, rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada.

ASSISTED SUICIDE

**Mr. Nelson Riis (Kamloops, NDP):** On another matter, Mr. Speaker, again petitioners mainly from Kamloops and surrounding communities ask Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no change in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

* * *

## QUESTIONS ON THE ORDER PAPER

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

**Mr. McClelland):** On a point of order, Mr. Speaker. I would ask the parliamentary secretary to the House leader if he would be good enough to respond to Question No. 54 on the Order Paper dated May 10. It is my understanding that such questions are to be responded to within 45 days.

**Mr. Milliken:** Mr. Speaker, I recognize the hon. member did star his question. Therefore, a response is required within 45 days.

In the particular case of his question, I have seen the draft response to that question. I was unhappy with the response because the response was a response, but not an answer.

I sent the reply back to the officials concerned and asked that it be improved. A more fulsome answer I think is the word mentioned by the Secretary of State for the Status of Women, and I appreciate her assistance.

I know the hon. member will understand when I say that I sent this question back for a more fulsome reply. When that is forthcoming I will bring it to the House as quickly as possible, and I thank him for raising the matter today.

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

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** 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 10 minutes.

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# GOVERNMENT ORDERS

[*English*]

## SOCIAL SECURITY PROGRAM

The House resumed consideration of the motion

**The Acting Speaker (Mr. Kilger):** I want to be assured that the hon. member for Simcoe Centre had time to conclude his remarks before Question Period. If not, he would have a few minutes to conclude and then he would be subject to five minutes of questions or comments.

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, I had concluded my remarks just prior to Question Period but I would be prepared to answer any questions.

**The Acting Speaker (Mr. Kilger):** Questions or comments? Resuming debate, the hon. Secretary of State for Multiculturalism and the Status of Women.

**Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Mr. Speaker, I am delighted to address the issue of social security reform. It is a vital one for all Canadians.

[*Translation*]

Indeed, members of this House and the Canadian people face a major challenge: updating our social security system. Based on the opinion polls, I must say that it seems they are ready and they recognize the need.

For 50 years, successive Liberal governments instituted a series of social programs which shared the wealth of this country among all Canadians.

[*English*]

Women have been particularly concerned about this as some of those programs have helped them and their families, their children, get back on their feet after a job loss. Others help some Canadians get training and an education, while others still have come to the rescue of Canadians who have nowhere else to turn.

However, the world has changed faster than our programs have and the system has not kept pace with the dramatic transformation in the economy, in technology, in the Canadian family, in global competition and in our fiscal situation.

Canadian society is still changing. Women play a much larger role in the workforce and in the paid economy than they did some 40 or 50 years ago. The needs of other groups such as ethnocultural communities, indigenous peoples and the disabled have also evolved rapidly over these years.

The workplace is in transformation. As familiar jobs disappear people are forced to work in unfamiliar situations. Many are joining the growing non–standard workforce of part time, temporary home workers or workers who work in their homes and contract work. These people have to do without the security of traditional company pensions and benefit plans.

• (1530)

As we shift to knowledge based industries, people need more education, training and continued learning. I have witnessed this transformation in my riding of Mount Royal. During the last recession we experienced our share of factory closures where people saw jobs and some permanent positions banished forever.

In many ways the riding of Mount Royal is a reflection of Canadian society. We are a diverse group of people of all religious, ethnocultural and age groups who live and work together in both official languages. For the most part we have worked together in harmony, peacefully with good productive lives full of hope and fulfilment.

Now my constituents are doing their best to adapt to our country's new economic reality. Many are succeeding but too many are falling through the cracks. I know that my riding of Mount Royal is not an exception to the rule. The new challenge people face there exists in every major city across the land.

Since 1981 the number of Canadians on social assistance has doubled to just over three million. Canada assistance plan or CAP expenditures have increased from $2.6 billion to $8 billion annually. Clearly the social support network has not masked societal changes which have occurred over the past 30 years.

The bottom line is that we are facing a fundamental shift in the way we live and work. Therefore we must redesign our social security program to respond to that shift, building on Canadian values of compassion and shared opportunity. At the same time we must ensure they remain sustainable and affordable.

Combined spending on unemployment insurance and social assistance has grown as a proportion of Canada's economic output by more than 75 per cent between 1972 and 1992. Such increases are simply not sustainable. The federal government now spends over $38 billion for all social security programs, but it has to spend $40 billion for interest on our debt.

We are sending that money for the most part to New York, Tokyo and Berlin. This is not the way we want to get our system under control. If we do not get our social security system and others under control, foreign markets will decide what our social programs should look like. That is not what Canadians want.

We want to be able to design our programs for ourselves. Therefore I commend my colleague, the Minister of Human Resources Development, for having the courage to undertake such a fundamental reform of Canada's social programs. I echo his invitation to all Canadians to get involved in this very important discussion, address the green paper, get a copy and work hard to give us the kinds of answers that will reflect their values. I applaud his insistence that our new system should be affordable, effective and fair.

To live up to the minister's commitment we will need social programs that reflect the reality of rural, urban and metropolitan communities. Our social programs must protect those most in need: people who cannot work, people on low incomes in families that are struggling to get by, people who face barriers due to disability or chronic illness, and especially children living in poverty.

We must improve the welfare of our children because 1.2 million of them presently live in poverty. This is totally unacceptable. Children are poor because their mothers are poor. We must therefore ensure that women get the opportunity to train for all types of jobs. We must also help those who rely on welfare to be moved off that cycle.

Too many people spend years on social assistance, even though with the right kind of employment and training opportunities they could find work; but they need a proper support system. Too many disadvantaged families get caught in the welfare trap for the very good reason that they seem better off there. That is really not a very sensible way to have the system structured.

• (1535)

Our future prosperity requires that all people contribute to the best of their potential in order to fulfil their dreams. We have a responsibility to those who depend on social programs to move from dependence to full participation, for the best social security is a job. The essence of our reform is to get people back to work.

We believe this is the shortest route to prosperity. A strong economy is crucial to the independence and equality of Canadians outside the mainstream, especially women, newly arrived Canadians and other groups.

[*Translation*]

Yes, Mr. Speaker, we must make some difficult decisions. Our choices today will determine the opportunities available tomorrow. The government's No. 1 priority is economic growth and job creation. To succeed in this mission, we must act on many fronts. The reform of social security is one of our most important initiatives in this regard. The reform of our social security system must be based on equality for all Canadians. We absolutely must listen to the communities which for too long have been marginalized in our society: native peoples, newcomers, the disabled and women. The nature and scope of the options we are proposing are fundamental. It is therefore imperative that these groups participate in the consultation process under way.

[*English*]

I strongly urge all groups to participate, particularly women's groups and ethnocultural organizations. I send them a personal message of encouragement. With this reform we will have the opportunity to help shape the future of Canada's social programs together. I believe that groups owe it to themselves and to their constituencies to make the most of this occasion. I urge them not to miss the chance to address this consultation document.

One of the single most important factors to take into account as we examine the green paper is the impact the reforms will have on women. Why? It is because women represent 52 per cent of the population in Canada. Women make an enormous contribution to our society and to our economy, and the future of our children lies in the hands of our women. Today I urge members to consider the important ways to make sure that our new social security system works particularly for women and children who are our future.

First, we must ensure that the voices of women are heard in the consultation process, in our riding and at the committee, for women's issues are fundamentally society's issues. They are issues that concern every one of us in the House. Women are not special interest groups. They represent diverse backgrounds with a full range of interests and concerns.

To succeed in our mission it is essential that we get their guidance. They have to tell us what kind of social programs would give them a sense of security, a sense of well–being, and contribute to their progress toward equality. Women's groups and organizations have been a most important catalyst for progress on women's equality and to ensure our full partnership and participation in the growth and development of the Canada of tomorrow.

As a result we will all benefit from their work. We have to ensure that organizations representing women's concerns, groups that have limited resources and broad mandates, have sufficient time and support to participate in this critical exercise. The Minister of Human Resources Development has to be thanked for facilitating this process.

Everyone must be able to participate in this consultation process because every Canadian will be affected by the final result. The Minister of Human Resources Development has already spoken with many organizations. He and I will pursue discussions with both women's groups and organizations concerned with poverty.

The second important component to building a social security program that serves everyone is to create a system that is gender sensitive. This means a system that recognizes that women and men in Canada experience life differently.

The discussion paper on social security reform outlines the key life streams of Canadians: work, learning and security. These are areas where women have different and too often disadvantaged experiences. They have a different rhythm of attachment to the workforce.

• (1540)

We must make sure changes and initiatives we suggest in these areas reflect that difference, namely child bearing, care for the ill and care for the elderly. The options for reform provide many openings for change. With gender sensitive responses those openings can become doors of opportunity for women and for society. Women may benefit from a review of the unemployment insurance that is sensitive to those in non–standard employment.

We all know the workforce dominated by women and younger Canadians is currently excluded from unemployment insurance coverage. Employment services which are more client centred and user friendly would be better tailored for women.

Enabling Canadians to benefit from lifelong learning is particularly important to women, especially for those who curtailed their own education and training early in life and/or left the workforce to raise their children, an important function and role in society. Child care is particularly relevant to women whose responsibility for family too often limits their own opportunities.

These examples demonstrate how we can look at every reform option with gender lens to see how it may affect the lives of women.

Lastly today I want to emphasize that to address child poverty we must improve the economic status of women in Canada. The reality is that throughout their entire lives women in Canada are at a higher risk of poverty than men. Large numbers of women live in poverty at some time during their lives. We must recognize the complex interplay of factors that put women and children at risk. Women are still largely responsible for the unpaid work of child care, elder care and housework in the family.

Indeed women are often in a situation that we describe as the sandwich generation. They support their aged parents as well as their children. However women are also increasingly responsible for earning income to keep the family above the poverty line either in two–income families or as heads of lone parent households.

There is a segment of the Canadian women's population that has done quite well. I hope we will see some wonderful improvements. Those are women who have had the benefit of higher education and have benefited from the role that has been played by women's organizations to move toward equality, access and breaking the glass ceiling. They are few and far between and there is much left to do. They can contribute to this discussion as well.

Women remain at a disadvantage in the workplace largely for reasons related to having and raising children. In 1992 women in Canada averaged only 72 cents for every dollar that men made in the workforce. It is a catch 22 for women and it is a recipe for economic dependence and poverty.

A 1990 report entitled "Women and Poverty Revisited" by the National Council of Welfare concluded that the link between motherhood and poverty was clear. According to that report the only safeguard which stands between most married women and poverty is their husbands' incomes. That is not very reassuring.

[*Translation*]

In fact, the group which is likely to be hit hardest by poverty in Canada is single–parent families headed by women. In 1991, 82 per cent of one–parent families were headed by women. Children who live with a single mother are five times more likely to be poor than those who live with two parents. Nevertheless, we cannot ask women to remain in precarious family situations just for economic reasons, especially when the woman and children suffer domestic violence or are threatened with it. We must also strive to avoid stereotyping single mothers on welfare.

A study of 150 such women in 1991 by Professor Carolyne A. Gorlick of the University of Western Ontario showed that their average age was 32. Nearly three quarters of them had already worked full–or part–time. Forty–one per cent had a university education.

• (1545)

Most had one or two children and almost all had some education or training. As the Prime Minister said so well in Fredericton recently, "The reform is not a question of figures and statistics. It concerns human beings and the challenges they must face every day of their life". So how does one help a single mother make the transition from welfare to employment?

[*English*]

Yes we need to support this woman with education and training.

**The Acting Speaker (Mr. Kilger):** I was in this situation earlier this day. I know that it is a subject matter of great interest to both sides of the House and 10 minutes is sometimes not a great deal of time on such a substantive issue.

If we could ask the co–operation of members to let the secretary of state conclude her remarks, we will waive the question and comment period.

**Some hon. members:** Agreed.

**Mrs. Finestone:** Mr. Speaker, I did not realize we had gone that long. I appreciate the good grace in this House.

A woman with this kind of education and training upon her return to the work force will likely get a job that is lower paid, of lower status and less secure. She may need language training or Canadian accreditation for education and training from another country. She most likely needs adequate enforced child support payments from her child's father. She will definitely need child care. She needs a workplace that allows her to balance work and family responsibility and she needs social security that recognizes she will live several years longer than most men.

[*Translation*]

Women have worked for decades to become economically independent, at work and at home. Whatever we do, we must not undermine this hard–won progress to individual financial self–sufficiency. We must recognize the connections between women's economic dependency, inequality and the violence done to them.

[*English*]

We must support women's individual ability to have control over their own lives.

In closing, I want to emphasize that Canadians believe in the dignity of work and we believe in sharing and in compassion. As a society we recognize the interdependence of economic and social well–being. We know that we cannot have one without the other.

Canada, as it is admired around the world for the way we balance these factors of our collective lives, wishes to continue in that effort. We have worked through times of wrenching change before in our history and we can do it again.

Let me quote our Prime Minister once again, because I think it is important: "Change does not mean changing our values on principles. It means changing programs to meet new needs and new realities in accordance with our values and our principles so together we can build a social security system that includes all Canadians and that contributes to a very strong economy. And together we can build a prosperous nation where difference is valued and everyone is included".

After all, Canadians both men and women, want security, dignity and the opportunity to make a decent living for themselves and for their families. All Canadians want to build a brighter future for our children and ensure that they have every opportunity to prosper.

An effective fair, affordable social security system for all of us will certainly help. We look forward to everyone's participation.

[*Translation*]

**The Acting Speaker (Mr. Kilger):** After listening to an opinion, I think I may have been a little too harsh when I suggested that we eliminate the period for questions and comments, especially since a minister had the floor at the time. Consequently, I will allow one question.

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, the Secretary of State spoke from the heart. The problem is that the reform will primarily affect women and not in a positive way. On the contrary, it will have a negative impact on their situation.

Here are just a few examples. The first ones affected by the two levels for UI purposes will be women who, in many cases, hold insecure term jobs—since these are more recent jobs, as you know. Women will be the first ones affected. They will also be the ones affected by the recommendation that the spouse's salary be taken into account when determining UI benefits. Women are also the ones who will be affected by the cuts to social assistance. Moreover, women will not want to get further into debt to get an education.

• (1550)

So, women are directly affected and, in spite of the very sensitive comments made by the Secretary of State who has a very kind heart, the fact is that the main objective of this reform is to reduce budgets by $15 billion over five years. The government may send invitations and hold countless discussions, the fact is that women are the first victims of that reform. The government helps women in a small way but harms them in a very big way.

**Mrs. Finestone:** Mr. Speaker, first it is not true that the government will cut $15 billion, which I believe is the amount mentioned by the hon. member. This is not true at all and I think the Minister of Human Resources Development provided the real answer. If you read his answer in *Hansard*, you will see that this is not true.

Second, I will admit that there are problems for women and that these problems represent a big challenge. However, the current situation is simply unacceptable. Everything that is in place right now prevents women from moving ahead; it only keeps them in poverty. What I want and what this government wants is to hold an in–depth consultation exercise, especially with women. We want to get their opinion and find out what changes they would like to see. We simply cannot ask women to keep putting up with the system as it is currently structured.

Women cannot rejoin the workforce when they are on welfare, because all the—I was going to say "les stupidités", but I do not know if you say that in French—constraints related to CAP do not give women a chance to go back to work.

[*English*]

It makes them poorer rather than enables them to become active participants in the job market. I would say to all members in this House and in particular to a fervent advocate for fairness for women—

[*Translation*]

I say to the hon. member opposite, to answer her question, that she is right. However, this reform will improve the plight of women; it will not make things worse. I have always insisted that all our initiatives be of benefit to women. If this is not the case, I want women to come and tell us. We will then take a closer look at the issue. I am asking you to help us bring about constructive changes for the future of all Canadian women.

[*English*]

**Ms. Marlene Catterall (Ottawa West, Lib.):** Mr. Speaker, it is a pleasure for me to rise today and compliment the Minister of Human Resources Development for his commitment and contribution in proceeding with the government's job and growth agenda.

The minister in his discussion paper has given us an opportunity to participate in the revamping of our social security system. We must bring our social programs in line with the realities of today, realities that are tough and constraining, realities that our society can no longer ignore.

Close to 80 per cent of Canadians agree that Canada's social programs are in need of major reform. We are inviting all Canadians to consider and to advise us on how we can improve our programs and make them suitable for the 1990s and into the next century.

[*Translation*]

The Canadian social security system was created a number of years ago to meet the specific needs of a bygone era. Today, the needs are different because society and economic parameters have changed considerably.

• (1555)

For example, when the unemployment insurance program was originally developed, it was to give temporary relief to people who had lost their jobs. However, today, Canadians must adapt to an economy which requires fewer workers. Consequently, the Canadian government must provide its people with a different support system for all those who want to enter or re–enter a highly competitive job market.

[*English*]

It is clear to all Canadians that the necessity for change not only applies to our unemployment insurance program but to all our national social programs. The social security system that has provided support to Canadians for decades must now be modernized. Our social programs must be redefined according to the economic and social changes that have affected our society.

However, despite the government's strong determination to pursue a thorough reform of our social safety net, it will strongly abide by the fundamental principles that have guided Liberal governments in the past. Hence, the first and foremost priority of our government is to preserve our traditional and cherished values of justice, of tolerance, of compassion for those who are most vulnerable, while providing to all Canadians the opportunity for the dignity of work.

In helping Canadians to get good jobs we have to consider that nearly half of all new jobs require 16 years or more of education and training. Yet we still have 30 per cent of students dropping out before graduating from high school.

This is one of many contradictions that must be eradicated for the benefit of our social fabric and our economic future. We need to supply better job counselling for unemployment insurance claimants. We realize that basic skills training is essential for any job and that classroom and workplace training is also a key element for the revival of our workforce.

Canadians think that our social programs are too bureaucratic, inefficient, wasteful and that too many people are put in the position of becoming dependent on them. We are not helping anyone by assuming that some people cannot do anything to improve their state in life. That is exactly what some of our social programs do and it must be stopped.

Our social security system must protect everyone in need. Among them are the people who cannot work, people with disabilities or chronic illness, low income families and children who live in poverty.

In the discussion paper the minister outlines four main objectives for reform: helping Canadians find and keep employment; providing support for those who are most in need; ensuring programs are fair, affordable and effective, while eliminating waste; creating a social environment that fosters independence and mutual responsibility.

[*Translation*]

We want to reform our social system to protect the values we universally hold true, namely equality, freedom, compassion, and mutual support. As a society built on these principles, we have the duty to give all the help we can to those who need it the most.

This means that we must share our resources more fairly. Canada is abundantly rich and, in this, is the envy of the world. Unfortunately, too few Canadians benefit from our country's wealth. This is precisely what we want to rectify with the help of all the people.

[*English*]

We as a government need to address the issues of an economy with fewer jobs, a society with an aging population and a shrinking middle class, and an increased poverty level among our population. I want to take the opportunity to remind the House and Canadians that those who are most in need of social reform are those who are the poorest in our country. That is women and it is children.

• (1600)

We have to look at the difficulties that women have to face in this new era. Women make up the majority of lone parents and 60 per cent of them live below the poverty line. Women have to work hard to support their families but face unfair wage gaps compared to their male counterparts. They are still very poorly represented in well paid occupations and positions.

Tragically women who do earn a living, however inadequately paid, may consider themselves lucky because two–thirds of the work of women is unpaid. This reality is unacceptable in a country where equality has always been a basic element of our national values.

For all these reasons Canadian women are entitled to receive appropriate assistance. For instance affordable child care is more than ever a necessity, not a luxury. Our government recognizes the urgency of the matter and is committed to work jointly with the provinces to increase the number of quality child care spaces across Canada.

Raising the standard of living of women is of crucial importance for the fate of many poor children across the country. We must act now to ease the life of over one million children living on welfare. The number of poor children in our society is increasing not decreasing with our current social programs. Obviously we need an improvement.

I want to say as one who has worked with women and young people living in the social security system that they are the first to recognize the need for changes in the programs, they are the first to recognize the barriers that prevent them from getting the job they need, from getting the training they need. Our system is set up in such a way that to do so they have to jeopardize the financial security of their children and there are not very many women who will do that. Those are the barriers we have to get rid of.

There are other groups in our society still coping with the lack of adequate services, people with disabilities. These people too need greater access to training and to employment related services.

If there is one commitment in this reform, it is the commitment of our government to create opportunity for every one of our citizens who can contribute to the building of our country.

I conclude by reminding the House and Canadians that this is a participatory process. There are a number of recommendations and options in the paper that the minister released two weeks ago. It is important that all Canadians inform themselves of what is in those papers and engage in the dialogue that will happen over the next few months.

This coming Saturday, October 29, in Ottawa West I will be having an all day community consultation. I know that these same kinds of consultations are going on right across the country. With my few remaining seconds I simply remind every organization and every individual out there that their participation in this dialogue is crucial to the future of this country.

[*Translation*]

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, the hon. member referred several times to the problem of women. She was very sympathetic to their needs, but what she said is a far cry from what actually happens. What the government is proposing is a direct contradiction of the principles of equality, justice, tolerance and fairness mentioned by the hon. member, especially when we are talking about a group of women with even more problems, and I am referring to immigrant women, a group I know very well.

I think that when the Liberals were in the opposition, they were far more consistent. Today, they are practising the exact opposite of what they preached in the opposition. It is not a wise decision on the part of a political party like the Liberal Party, the main party in Canada.

• (1605)

My question is this: social programs were introduced when Canada was not as rich as it is now. This was years and years ago. Today, Canada is much richer, so why attack these programs today? Why not get the money to finance these programs from the rich and thus avoid cutting the social benefits for which women have fought for generations?

**Mrs. Catterall:** Mr. Speaker, first of all, I would like to deal with women's issues. I think it is very important to stress what I said in my speech. This is a discussion. We have made a number of proposals. I think the question raised by the hon. member is very important and that it has an impact on women and on children as well, to some extent. How can we have a better system? That is a topic for discussion and dialogue with Canadian women. We want to find out what they think about the impact of certain options.

I hope the hon. member will have a chance to discuss the existing system with his constituents who are now on welfare. When he talks to women who are in the system, he will hear about the problems in the present system and the problems that keep them in a state of dependency.

I am not certain that I agree that in the past, when Liberal governments introduced our social programs, the country was poorer. It would be very easy for me to say the problem was created by the previous government, but I will not say that.

We are now in a situation where we spend 40 cents out of every dollar on servicing the debt and, of course, it is unacceptable that we cannot spend these 40 cents on something that would be of far greater benefit to the country and to Canadians.

However, I think it is just a matter of using the resources we have to improve the situation for the people who are in the system, and not leaving them high and dry.

[*English*]

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I have a number of points here but I am going to have to limit it to one because of time. I will do that.

I want to caution the House and the government particularly on the use of statistics. A long time ago I read a book *How to Lie with Statistics*. We often hear that a large proportion of Canada's children live in poverty.

I deplore children living in true poverty. I need to give members very quickly this anecdote. My son who now is in Rwanda was in southern Sudan a number of years ago. He was working with a relief agency there. When he wrote home he said: "Dad, Mom, we are having great success here. Whereas there used to be 160 children a day dying of starvation, we have brought the number down to 60". He said: "That is a great success". Then he added, referring to our community back home: "Of course by Sherwood Park standards, we have not quite met it yet".

That is so true. In this country, we do not know what poverty is. The statistic that is used by Statistics Canada is that a family is in poverty if its family income is less than half of the median income.

The irony of that is that if the average family income in Canada were to reach $100,000 then anyone who makes less than $50,000 would be considered by that definition to be in poverty. Yes, they are making considerably less than the average peers around them but they are not in true poverty. I think we need to be very, very careful.

• (1610)

Poverty is also a state of mind. I grew up in a very poor family but we were never poor in the truest sense of the word. We always had the basic necessities of life and we had a family with loads of love. When you have that it is really all that a person needs.

**Ms. Catterall:** Mr. Speaker, I am very pleased to respond to this question. Some of my colleagues will remember that it was a former Tory chair of the committee on employment and immigration that tried to redefine poverty and pretend that poverty went away.

Let me tell the member opposite about the people in my community, the children who start school behind the eight ball because they are identified as poor the minute they walk into the school. They are not as well fed. They do not have the bright and shiny hair. They do not have the nice clothes. Their education is immediately crippled from the day they walk into school.

If we pretend that poverty in this country is not really a problem we will not solve that problem. The victims of not solving that problem are our children. Poor children are much more likely to be involved in serious accidents, to fall seriously ill, to commit suicide, to die, to drop out of school and to end up in jail. What more information do we need to solve the problem of our poor?

[*Translation*]

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, the issue of social programs is of particular concern to me, as a former labour lawyer in Chile, a 19–year veteran of the FTQ and the member of Parliament for a modest riding in Montréal–Nord. I must admit that I am very concerned, following the release, on October 5, of the Liberal government consultation paper entitled "Improving Social Security in Canada".

The title of this paper bears little relation to its contents. It is at best an ultraconservative paper. Even the Mulroney government had never dared go as far as this Liberal government of Jean Chrétien and Lloyd Axworthy.

**The Acting Speaker (Mr. Kilger):** I would just like to remind the members that we are supposed to refer to one another by our titles. For example, the right hon. Prime Minister, the hon. Minister of Human Resources Development, and so on. I know that we cannot always show the same consideration to former MPs, but as far as those currently in office are concerned, we must maintain this respect relationship.

**Mr. Nunez:** Mr. Speaker, I was referring to the government of the present Prime Minister and his Minister of Human Resources Development. Now, I must add that, regarding social programs, the Liberals are doing exactly the opposite of what they preached when they were in opposition. I am for social security reform, but true reform designed to improve social security, not to destroy it.

It took decades to build our social security system in Canada. Now, this federal government is trying to dismantle it in a matter of months. The real hidden agenda of the instigators of this reform is to bring the deficit down. Since coming to power, the Liberal government has done its utmost to balance its budget on the back of the disadvantaged. This paper proposes very drastic changes in unemployment insurance as well as in how funding of social assistance and post–secondary education are funded, changes designed to save $15 billion over the next five years.

In so doing, the government is hoping to reduce the national debt to 3 per cent of the gross domestic product within three years. There is nothing in this paper about the real challenge facing Canada today: job creation. No effort is made to eliminate the very expensive jurisdictional overlaps between the federal government and the provinces.

• (1615)

Instead of looking at a fairer taxation system for tax havens, family trusts, etc., he attacks programs protecting the most vulnerable in our society. The government blames the crisis on the poor, the unemployed, the people on welfare, and that is outrageous.

The union movement which fought for and instigated the introduction and improvement of the social security system for generations is now unanimous in opposing and condemning the reform proposed by the Minister of Human Resources Development.

In Quebec, the presidents of the three central labour bodies—Clément Godbout of the FTQ, Gérald Larose of the CNTU, and Lorraine Pagé of the CEQ—vigorously denounced the federal government's intentions and are preparing a major attack and a joint brief to be tabled soon as part of the consultations held by the Standing Committee on Human Resources Development. Together, these three unions represent over 700,000 Quebec workers.

For its part, the 2.2–million–strong Canadian Labour Congress has launched a vigorous fight against the proposed reform. Its president, Robert White, criticized the discussion paper because it does not set out any job–creation measures. He added, "The government seems to think that by training workers and cutting their UI benefits, these people will find non–existent jobs as if by magic. The concept of compulsory work or enforced volunteerism outlined in this paper is an insult to the hundreds of thousands of Canadians who have lost their jobs".

The thousands of unemployed workers and welfare recipients, as well as all the people I consulted in my riding of Bourassa, strongly oppose cutting and dismantling our social programs. Montréal–Nord is a city whose population is getting more diversified, older and poorer. In the last two years, the amount of social benefits has increased by 21 per cent, while 34 per cent of all welfare applications are associated with job losses. The unemployment rate in Montréal–Nord has reached 30 per cent including welfare recipients able to work.

My riding and the City of Montreal are now among the largest concentrations of poor people in Canada. Those hardest hit by this situation are members of visible minorities, young people, women and seniors, who are very numerous in my riding.

I take this opportunity to denounce VIA Rail's recent decision to immediately eliminate 478 jobs including 273 in Montreal. In December 1993, the company had already announced that it would lay off 250 workers. Most of these workers are members of the Canadian Auto Workers, which is my union. These people want to work.

[*English*]

These people have decided to work and to be gainfully employed. They are particularly worried about the proposed modification to the unemployment insurance system. The people of my riding are concerned about the intention of the federal government to take into account their spouse's income to calculate the level of allowance.

If enacted these reforms would prove to be very harmful for women and will endanger the progress toward equality which an entire generation has achieved.

Unemployment insurance is one of the pillars of our social security system. It is entirely financed by the contributions of workers and employers. Employees pay premiums to insure themselves against loss of income in the event of the loss of a job. Thus the government has neither the authority nor the justification to take from these workers the compensation that is rightfully theirs.

• (1620)

[*Translation*]

We must say that, on the whole, Canada's social programs are already below the average for industrialized countries. In fact, Canada spends $18 billion less every year on social expenditures than the average of OECD countries. This shortfall shows up especially in child care services, the public pension plan and disability insurance. In several areas, Canada's social programs are below international standards.

For all these reasons, like my party, the Bloc Quebecois, the labour movement and the people of my riding, Montréal–Nord, I oppose and strongly denounce the social security reform advocated by the federal government.

[*English*]

**Mr. Sarkis Assadourian (Don Valley North, Lib.):** Mr. Speaker, I am very happy to see the United Nations continues to demonstrate our position to the rest of the world: Canada is the best country in the world in which to live.

When was the last time the government gave the opposition a chance to discuss social policy reform? When was the last time any reform policy met the approval of 91 per cent of the population? When was the last time one year after coming to power a Prime Minister enjoyed 42 per cent popular support, personal support? When was the last time the opposition leader received only 7 per cent popular support?

Obviously, that says something about the good job the government is doing.

This morning I was in my riding of Don Valley North. We just had the ground breaking ceremonies for one of the projects that will create jobs in my riding. It is one of four projects and it will create about 111 brand new jobs. These people will have food on their tables. They will be able to feed their children, not go on welfare or UI. That is the job the government is doing to provide Canadians better opportunities and a better future.

The previous government had a committee, as was referred to earlier, which was to redefine poverty, especially poverty among children. The way the committee wanted to do it was to redefine the whole income process so, poof, in one sentence it would take away 50 per cent of poverty among children. That is not the way we are going to do business. We want to listen to other Canadians so they have a positive input and not be negative about Canada. We want to change the system the best way we know how. That is how we are going to do it.

I have not heard anything from hon. members opposite that is positive about Canada, always negative and negative. I want to repeat my colleague's statement, they always see the glass half empty. We see the glass half full and we are going to fill it all the way up.

[*Translation*]

**Mr. Nunez:** Mr. Speaker, I was positive like my colleagues in the Bloc Quebecois; we want to maintain the social programs Canada has. The only problem we have with the party opposite is that we want to finance them by taking money where it can be found, from the rich, family trusts and tax shelters. This is the money that must be used to fund social programs. We are very positive on that.

The UN has declared Canada to be the best country in the world; I think that the UN is taking a macro–economic view, but if the UN looks at Canada today, it must realize that there are huge variations. When I came to Canada 20 years ago, it was a more egalitarian society. Today, the rich are getting richer while the poor are getting poorer. Among these poor people are the children whom the hon. member mentioned. But there are poor children in Canada because there are poor families, parents without work, women who are disadvantaged in society; that is the cause of child poverty.

• (1625)

I think that we are very positive and during the consultation, we will make suggestions and a great contribution to the development of human resources, but on the good side, not in the direction the government is going.

**Mrs. Christiane Gagnon (Quebec, BQ):** Mr. Speaker, I want to discuss the impact of the social program reform for women. As the Official Opposition critic for the status of women, I will specifically deal with the impact of the proposals tabled by the Minister of Human Resources Development.

The discussion paper includes several measures which are totally unacceptable to Canadians. The first one relates to the UI program. The proposed reform will result in reduced UI benefits for women. Indeed, if a person living with another one loses his job, the benefits paid to that person will be reduced when his spouse earns a good salary. Since, according to statistics, women earn about 70 per cent of what men make, they will be directly affected by that measure, because their benefits will be diminished and may even be reduced to nil.

This proposal is totally unacceptable. How can we implement such a policy and claim at the same time, on the international scene, that we promote the right of women to economic equality, as the Canadian government did at the Nairobi conference and will do again this fall in Beijing?

This is an insidious form of discrimination. Either we really try to promote the right of women to equality by ensuring that domestic policies are fair and take into account the situation of women, or else we stop claiming to be a world leader in that field. The government should make up its mind. At the very least, it should ensure that it does not increase, through irresponsible policies, women's dependence on men, thus perpetuating a context which is conducive to violence and exploitation.

Another proposal in the minister's discussion paper aims at reducing access to benefits. Under this proposal, people who are frequently unemployed, mainly those who have insecure jobs and many women are in this category, would see their benefits reduced. Again, this would primarily affect women, since they hold most of the seasonal jobs.

The document raises another question regarding unemployment insurance. I am referring to contributions made to the program. Indeed, one wonders if women who are ineligible for benefits because of their spouses' incomes will be forced to continue to contribute to the UI program, thus putting an even greater burden on the family income. In our opinion, this would be a hidden increase in the tax burden and would violate the promises made by the current Prime Minister.

Let us now turn to another aspect of the reform which deserves a very close look, namely the financing of post–secondary education. Here again, women are experiencing a setback. On October 6, the minister stated: "Let us put a lot more money back into the system. Let us make a much broader, wider system of grants and loans available to students of all kinds everywhere. They can get access to our system on a basis where they can repay the money based on their incomes".

A reduction in the transfer payments to the provinces will have a direct impact on provincial governments. These governments will have to choose between dealing with this new tax burden or transferring it to the universities. Either we increase taxes to pay the higher costs or the universities will have to significantly raise tuition fees, which will increase the students' level of indebtedness. This would be a setback, especially in Quebec, where we have succeeded in helping poorer students to attend college or university. Also, this will have a direct impact on women. As we know, women are poorer than men.

If we go back to the system where only the rich can afford post–secondary education, the percentage of female university students and graduates will drop considerably.

• (1630)

You do not have to be a statistician to know that the level of education is directly related to the level of income. Is this how we will reduce the dropout rate, by dashing the hopes of poorer students wanting to go to university and to improve their lot? Is

this how the Minister of Human Resources Development will improve economic opportunities for women?

I think the minister will only encourage students to increase their indebtedness level in order to be able to further their education. This is how we will end up with a two–tier university system like in the United States: a classy private system and a poor public one. There are no projects, guidelines or instructions on expanding day–care services, except for a statement that eventually, resources will be invested in this area. This is a major omission, and it reflects this government's failure to consider the daily needs of women.

How can women expect to go back to work or function satisfactorily in the work place, when every day they are faced with the problem of a shortage of day–care for their children? Women would have to earn at least $10 per hour to be able to pay for day–care and the transportation costs involved when a woman works and has children. Women would have to earn more than $10 an hour, so they can afford satisfactory day–care for their children while they are at work.

Many women, especially single mothers, will leave their jobs or will not be promoted because they do not have access to day–care or their incomes are not sufficient. One wonders what this government's priorities are. Are they about buying missiles for $400,000 each, so the Canadian army can make a good showing at competitions in Florida, or intercepting private communications through the Communications Security Establishment, an activity estimated to cost a modest $250 million annually?

Will the Minister of Human Resources Development show more concern about programs financing than his leader, who said he was not worried about the expenditures cleverly hidden in the Public Accounts? Would there not be a case for investing in our children's future rather than in unproductive activities? Where are this government's priorities? What needs is it willing to finance? One also wonders why, in preparing its reform proposals, the government failed to consider the unequal economic status of men and women and try to correct it.

We condemn these reform proposals which are a disaster for female workers, students and women who are frequently unemployed, proposals that contain no job creation strategy. Women need well–paying, steady jobs, but the only job creation measure the government has introduced since it was elected, the infrastructures program, has failed to increase women's participation in the labour market since these jobs did not draw on women's more traditional skills.

Women do not need any more talk about training, when training is a dead end since there are no jobs available. Women need real social reform, with measures that will help make them equal economic partners, not measures that merely consolidate the usual pattern of dependency and dropping out. Mr. Minister, some major changes will be necessary if women are to get their rightful place in the labour market.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.):** Mr. Speaker, precisely, as the member for Quebec mentioned, I believe that the aim of this exercise, this opinion poll, this Canada–wide consultation is to see if we can find solutions to some rather pressing problems. One of the problems she talked about is the situation of single mothers. Very often, what they earn is not enough to provide for their children.

I believe that there is a lot to do in this area and I am the first one to say that women have been dealt a raw deal by the present system, an opinion which I think is shared by most members of this House. Women are penalized if they want to get a job or train in order to find a better job.

• (1635)

I would like to know if the member recognizes that, at least, we are trying to help women with their job search so that they can have a decent income.

**Mrs. Gagnon:** Mr. Speaker, maybe the government thinks it is making an effort. But between its rhetoric and reality, there is a world of difference. I believe that we must be wary of some of the proposals put forward in the working paper, especially with respect to women. I believe that when you revert to taking into account the spouse's salary to determine eligibility to unemployment insurance, this is a real step backward.

I believe that if this suggestion is accepted by the Liberal government, we will not be helping women. Most frequently unemployed people are women, therefore this is what I call a double standard. On one hand, the government allows tax havens such as family trusts, and on the other, it says that it is going to go on a witch hunt to catch unemployed women, to see if they are not dipping two or three times in the unemployment insurance pot, in which case they will get cut off. They will no longer be eligible.

With respect to Quebec, there is another side to the story. I believe that the real objective of the Liberal government is to get involved in job training. In Quebec, there is a consensus. All stakeholders, including the Bélanger–Campeau Commission, the unions, political parties, the Conseil du patronat, agree that Quebec should manage its own job training. This is an expensive bureaucracy for the federal government and Quebec, both in terms of money and time.

I do not believe that the Liberal government will be going in that direction. Quebec's unemployment rate has doubled since 1970. The Liberal government is pursuing the same policy as the Conservatives who lost the elections because of it. They wanted to make cuts in unemployment insurance, and reform social programs, but the Liberal Party promised jobs, jobs, jobs. This is where the Liberal Party is heading in the wrong direction. It should be offering to stimulate the economy, to stimulate business in order to create jobs.

Obviously, if the unemployment rate has doubled since 1970, it is because there are no jobs. What are we going to do with the frequently unemployed? We are going to penalize them. We are going to turn them into second–class unemployed workers, and women will be particularly penalized by this suggestion.

**Mr. Gagnon:** Mr. Speaker, it is not correct to say that we want to penalize the unemployed. I believe that the role of any government is to find work for Canadians, to make education accessible, to improve the situation of the neediest, like single mothers, and to ensure a more prosperous future for their children.

Once again, what we hear from the Bloc Quebecois is the same old tune. They want the government to stop interfering with provincial programs.

I will not say anything against the Quebec Government or its Department of Education. I did it before and I will have further opportunities to do so. The only question we should ask ourselves is: "What matters for people in a difficult situation?" It is not whether their case is being considered by a provincial civil servant or a federal civil servant. What matters to people is to have access to programs, to have a chance, to know that constructive measures to stimulate the economy are being taken. What matters to people, and in particular the neediest—and I believe that the Liberals always tried to help the neediest—is to be able to re–enter the work force.

I must, unfortunately, repeat that when the hon. member says that this is a problem of overlapping, of federal interference, she is a victim of her party's propaganda.

• (1640)

**Mrs. Gagnon:** Mr. Speaker, I am not at all surprised at the comments of the hon. member for Bonaventure—Îles–de–la–Madeleine. I think there was a consensus in Quebec on education and occupational training from people with high credibility. This issue has nothing to do with political allegiance. I was naming all the stakeholders from the political, educational and labour communities and we all agree in Quebec that education and vocational training should be under Quebec's jurisdiction.

Civil servants told me that no one could understand a thing about the alignment of federal and provincial programs. We can see that the hon. member did not often have to look for a job and was never forced into the maze of programs delivered by Quebec and Ottawa.

One of the programs offered by the federal government, before the training program starts, is a needs analysis. It so happened that there was a two–year delay before it could be implemented and when we were about to start, the needs had changed and there were no more participants. During all this time, the people had not worked. So you can certainly not blame this on ill will on the part of the Bloc Quebecois if we do not understand.

We were elected with a majority in our ridings to defend Quebec's interests and I think, in this case, it means to repatriate our money.

I have not talked about transfers to provinces. The government wants to cut transfers so that the onus will be on the provinces to manage this cut–rate unemployment. The provinces will again be the ones to pick up the tab. And we all know that when provinces go broke, they turn to municipalities.

Therefore, I think that if provinces were to manage their own programs, the constituents and the public would really know who the culprit is. Now the federal and provincial governments are passing the buck back and forth.

**The Acting Speaker (Mr. Kilger):** 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 Mercier—Unemployment.

[*English*]

**Mr. Ron MacDonald (Dartmouth, Lib.):** Mr. Speaker, I have looked forward to rising and speaking in this debate for quite a while. I was one who spent a lot of time on his feet in the last Parliament debating the very principles that are on the floor today: what should be the central tenets of the country and the underlying principles that have led us, albeit with our problems, to be one of the greatest nations on earth.

I come from a region that for far too long has perhaps not shared in the greatness of the country, particularly its wealth. We have wealth in other areas with our culture, our history, our music and our people; but when it comes down to the things that put bread and butter on the table I speak from the perspective of a regional representative who has tried his very best, as have many before me, to impact on the policies of national governments in recognition of the fact that we live in a country that is regional in its nature.

The whole concept of social policy reform perhaps causes shivers up the spine of many individuals out there, even some provincial premiers who have to rely on a generous, well thought, rational program of social spending by the federal government, the government that has the tax power, to be able to deliver services of a national standard to the individuals they represent.

We have to go back a bit and talk about the development of social policy. Nearly every major program we have today has been the result of dialogue in this place and in public. Nearly every piece of progressive social legislation that we currently have up for debate in our social policy review has been dealing with programs that have been brought about by Liberal government initiatives.

We have to be careful when we criticize the process if we are not willing to understand the history of the party that teaches how to reform social programs. When I look back on the great history of the Liberal Party it is very clear that the Liberal Party tried very much to ensure that the country was not the same as the United States.

• (1645)

We recognized that the free market system had to grow and flourish but we believed that there were broader principles which had to monitor, had to temper the influence of the private sector and market forces in Canada. We were not the same as the Americans and we were not the same as some of the countries that we sought our early immigration from which were smaller and more compact.

We are one of the largest nations on earth and we have an uneven distribution of population. We have ten provincial and two territorial governments at this point. Through all of this as our country grew and as the great resources that God gave us in this great land were exploited, it was Liberal thinking, small *l* and big *L*, that said there is a fundamental responsibility of governments to ensure that the great wealth that is Canada is shared as equally as possible by all Canadians no matter where they live.

How do we do that? Do we just say if you are living in Alberta and they find oil in the ground you are going to do well perhaps for this generation or maybe the next, or 100 ago when you lived in Atlantic Canada and cod was plentiful and there were all kinds of money flowing into those households that did not have to share it? No, we believed collectively that we had a responsibility as government—our party believed that then and believes it today—to try to ensure that the wealth of this country is redistributed wherever possible to those individuals who are less prosperous today.

We have done that through social programs. We came in with unemployment insurance. We decided that we had to find some vehicle to transfer funds on a regular basis with a standard program and we came up with established program financing, EPF. That is how the federal government through its taxation powers takes moneys in and sends moneys back to the provinces to try to ensure a certain level of quality in the delivery of service in health care and post–secondary education.

The unemployment insurance system was initially put in place to ensure that workers who found themselves temporarily without employment were not going to have the bank come in and foreclose on the farm. It was meant to be an income supplement during that period of time until the individual could either retrain or find another job in the labour market and pay his or her bills.

We have had further progressions in social policy right up to the Constitution Act in which one of the fundamental characteristics of this country was set down as equalization. One of the major factors that distinguishes this country from others around the world is the fact that our Constitution says that the government has a responsibility to ensure that the provinces have the ability to deliver services of national standards, national quality, no matter what the fiscal situation of that province is.

Our social programs through old age security, through veterans' pensions, all of those programs have been an attempt by past governments to meet that fundamental commitment, that characteristic of Canadian society of equalizing the opportunity for all Canadians.

In a province like Nova Scotia some would say we rely to heavily on that. Maybe we do. Some say that perhaps the amounts of dollars transferred down have not met with the successes that were waiting there for them. I am one of those individuals who would agree.

I think it is high time we sit down and examine the vehicles. These programs are merely vehicles to deliver certain principles. It is also a time for us as Canadians to reaffirm the principles.

I know there are some on the Liberal Party side, perhaps even who sit in this Chamber, who believe we have to fight tooth and nail to maintain the vehicle. I do not think we have to do that. What we have to do in this period of fiscal restraint is redefine what we try to accomplish as governments.

Is the principle of equalization going to be maintained as one of the fundamental strands in the fabric of this country? I think most of the people in this place would say yes. Are we still going to try to take the wealth of this great country and ensure that individuals like me, the son of a coal miner who saw more pay days than pay cheques down in Cape Breton, can go to university because I have not been tuitioned right out of the picture? Does it make sure that somebody who lives in northern Ontario or downtown Vancouver or in Bay d'Espoir Newfoundland, when they have a problem with their health, does not have to worry about the size of their bank account, that quality health care is there?

• (1650)

We are facing major challenges. I think as this debate goes forward Canadians will reaffirm the principles that this country has been founded on, principles of fairness, of equal sharing of the resource, of caring for one another and a free market system altogether, all in one.

This reform that we talk about is essential. It is essential that we grapple with the real economic problems that we have today. It is also essential that these reforms are not dictated by any one region of this country.

Atlantic Canada is not western Canada. Alberta is not Newfoundland. Quebec is not Ontario. This is a country that is as distinct because of the differences that it has been able to accommodate internally as it is distinct by its geography and its people.

During this reform of social policy, during the debate that takes place, we must ensure that those principles that have been established, that have made this country great from sea to sea to sea, are reinvented. We say that is the foundation and if there is a better way for us to deliver those principles of equalization, of allowing as a people, each and every individual in this country, to develop to the fullest of their potential I will be on board for that.

I am afraid of change. I am afraid when I see two systems of UI being put on the table for debate that it means some of my fishermen in Atlantic Canada or the Gaspe may find themselves on the short end of that stick and I worry about that. I am worried that talk of cutting back on transfers through EPS to universities will mean that people who grew up or are growing up as I did with not very much money coming in for food let alone to put away for their children's university may not be able to get a quality education.

I am equally convinced, and this balances my concern, that as this debate goes forward one single thing will come out of it if nothing else and it will be that we will come back as a people and we will re–endorse and reaffirm those principles of equalization of the government allowing the free market system to flourish but at the same time using the resources of this great state, of this great nation, to ensure as best we can as mere mortals that those resources are put to work for the people of this country no matter where they live.

The debate is important. My voice I hope will be heard. My voice will probably be a voice of dissent on many of the things that are put on the table but I am not going to sit back and be critical and not participate in the process. That is one way the people I represent will not be heard and I am quite prepared. My voice can be loud at times. I may be small but I was blessed with good vocal cords. My voice on behalf of the people not just in Atlantic Canada but people right across this country is heard and that the desires they have that their government will be able to respond to their needs are materialized in a brand new social policy reform package and the vehicles that we choose to deliver are vehicles that will be efficient, that will deliver to the people who need it the most, and more than anything else will ensure that the next generation of Canadians, far too many of whom are living in poverty, will be able to look forward to a bright future in this great country.

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, it has been most fascinating coming to the House of Commons and dealing directly with people who are eminently qualified to speak for the Liberal Party as members of Parliament for the Liberals.

One of the difficult things I have encountered is that I do not seem to be able to get a straight answer to a very simple question and it reflects around the area of universality. Does the member actually believe in universality?

As I listened to the member's very eloquent speech it seemed to me that he, like most Liberals, is trying to have it both ways. The Liberals are saying we are going to have government intervention but we are going to have free market. Some of the things unfortunately are mutually exclusive.

I am not suggesting for a second that I do not believe in the basic concept of equalization and trying to even things out but we have developed this to such a science in Canada that we have reached the point at which we no longer can afford it.

I have a question with respect to universality. I believe this is the fourth time and the fourth member I have put this question to. I know the member is going to give me a straight answer to this question because he is such an upright looking gentleman. I can tell he is going to give me a straight answer.

• (1655)

Where are we going with this thing? Does the member actually believe in the concept of universality in which every single Canadian has equal access to all of the programs available? Or does the member believe, as the Reform Party believes, that we are going to have to target some of our social programs, that we are going to have to be selective and make sure that the people in Canada who are most in need will have those services available to them? In other words, that is the difference. Those two things are mutually exclusive—universality or are we going to be targeting our resources because that is not universality? Which is it?

**Mr. MacDonald:** Mr. Speaker, I could send him over a dictionary. That might be a quicker response.

To the member for Kootenay East, on university I think everything is on the table, to be quite honest. When I see that there are over 1.5 million Canadian children living in poverty that tells me that the dollars we are spending are not hitting the mark. When I see individuals who have to live below the poverty line, who have worked hard to build this country because the dollars have been spread too thin, then I do not think those are the types of programs I want to see continued.

When I see single parents, primarily women who cannot get out into the workforce because they have children at home, who cannot get a hand up because the money available to the programs we are maintaining keeps them down and ensures a cycle of poverty, of non–productivity both economically and at a complete destruction of self–worth, I am prepared to listen to anybody in this country who would go back to the basic principal of equalized opportunity.

Quite frankly, I would not be here today if it were not for those social programs. Maybe most members of the Reform Party would, but I do not think so. I know the backgrounds of some of those individuals. They have chosen public life. Many of them were not brought up with a silver spoon and many of them did get the benefit of a university education because of transfers to their home provinces for education. I know that. Does that mean that everything we have today has to stay the same? I would say no.

He asked me if I believe in universality. I do for some programs. There are some programs I do not think can be cut without damaging the fabric of the country. On health care, do I want a user pay system? No, I do not. I know the Reform Party does not either. We want to maintain that as an essential piece of the fabric of this country.

I am prepared to sit down on each and every program. I am not prepared to do what some on the other benches, most notably the Reform Party and the right wing would do, which is simply to do across the board cuts.

When we look at these things we have to use the ingenuity I know members of this Chamber have to develop vehicles that would allow for the majority of assistance that is available be targeted to those individuals who need it the most. We all know that it diminishes on a daily basis. However, does that mean we have to throw the baby out with the bath water? I think not. I think the baby has to do with a little less water in the tub.

[*Translation*]

**Mr. Yvan Bernier (Gaspé, BQ):** Mr. Speaker, I appreciate the opportunity to ask a few questions or at least to make a few comments on the hon. member for Dartmouth's speech.

I have worked with the hon. member on the Fisheries and Oceans Committee. First of all, I must say that I find most interesting his concern that the paper tabled by the Minister of Human Resources Development might possibly create two categories of unemployed, when he says that the chronically unemployed apply for UI benefits two and three times over a five–year period.

Yet, coming from maritime regions, we both know that our constituents are directly involved in, and directly affected by, this. There is even more cause for concern considering that we had an inkling of the Minister of Human Resources Development's reform earlier this year with the UI changes made this spring, for example, when the qualifying period was increased from 10 to 12 weeks.

• (1700)

I would like to hear the hon. member's comments on this, to know if there are lobster fishermen in his region who, since cod fishing is forbidden under the moratorium, have nothing else to fish. To qualify for unemployment insurance, they need 12 weeks of work. Every one knows that in maritime ridings, lobster fishing is subject to a natural constraint, since the season is only 10 weeks long. Now that is very interesting.

The last point I would like the hon. member for Dartmouth to consider is equalization payments, when he says that the federal government has taxing powers to regulate, to administer its so–called national social programs.

The problem, as I see it, is that the minister already has a figure in mind as regards the extent of the cuts. He is trying to say which program or program component he would like to cut. This sounds like a dangerous approach to me because welfare recipient are left out in the cold. Making programs disappear, or reducing the assistance provided under such a program, and I will conclude on this, will not make welfare recipients disappear.

This means that the provinces will have to pay out of their own pockets. Equalization does not work if Quebec or Ontario, for example, see the percentage of welfare recipients they have to provide assistance to on their own increase all of a sudden. Because if there is a freeze in federal spending levels, equalization will not work. These were the comments I wanted to make.

[*English*]

**Mr. MacDonald:** Mr. Speaker, I have to say that I certainly enjoy working with the member for Gaspé on the fisheries committee. We share many of the same concerns. Our mother tongue may be different, but our regions are not that dissimilar and our interests are pretty similar.

I want to pick up on one thing. The member indicated that the federal government has the authority to provide equalization, to try to equalize the opportunities for Canadians. I would go one further. Since his party is very concerned about constitutions and constitutional status, I would like to inform him that it is not just the authority, it is a constitutional requirement. Whatever cuts are made to social policy as a result of the ballooning deficit, every cut must be looked at to see whether or not, in accordance with the Constitution, it has increased or decreased disparity in the country. That is one of the things that is a fall back for us. The Constitution provides for that.

With respect to the other question he asked dealing with UI, it is a major problem. One of the things we have to do is stop handing out the dough. It is a bit like a narcotic. If you have a pain in your arm and you do not treat the cause of the pain but keep giving the drug for the pain pretty soon you forget about the pain but you keep needing the drug.

We have to try to deal with diminishing dollars and address the real problem. We have to restructure the fishery so that the individuals left in the core fishery can make a decent living off it and never again see the fishery as a way, through licensing, to qualify for UIC. Unfortunately that is what has happened in the past. People who have a licence should be able to make a good

living at lobster, at groundfish, at whatever, but we have spread it far too thin.

In conclusion, I agree. I have those concerns. I look forward to reading the input from his town hall forums that he is going to be holding on social policy reform and what his people are saying on it. Perhaps we can sit down and see how close together both our communities are on the need for this type of restructuring.

**Mr. Benoît Serré (Timiskaming—French River, Lib.):** Mr. Speaker, it is with great pleasure that I rise today to address the House on this most important matter of reforming our social programs.

I would like to congratulate the hon. Minister of Human Resources Development and his parliamentary secretary for having the courage to put forward this most–needed initiative.

I will restrict my comments to two areas. First, why do we need social policy reform? Second, what are the principles which should direct these changes and what are the objectives we want to achieve?

On October 14 and 15 I held two sets of public consultations in my riding of Timiskaming—French River, one in Kirkland Lake and one in Haileybury, probably the first public forums on the social reforms in the country. About 100 constituents attended the forums and 26 individuals and organizations presented briefs.

• (1705)

There was unanimous agreement on the need for social reform and toward the objectives outlined in the minister's discussion paper. There was also a broad consensus on the kind of reforms needed to achieve these goals. The best way to demonstrate the need for reform is to give three examples of situations which came up at the hearings.

The first example is one of a young couple with two children, both earning salaries just above minimum wage. After allowing for child care expenses, travel, income taxes, an increase in geared to income rent, we found that the net income for this couple was $150 less a week than if they had been on social assistance. This is wrong and totally unacceptable. In addition, the young couple have lost their drug and dental assistance plan. Geared to income housing rental is based on gross revenue before factoring in income taxes and all the work related expenses. In effect, a working couple earning a net income of $1,000 a month will pay more in rent than a couple on social assistance receiving $1,200 a month. I find this unfair.

We are telling those Canadians who have the pride and self–motivation to go out and find work that if they do go out and work, we will penalize them.

The second example is one of a man who is married and has four children. He is fairly well–qualified but was unable to find a permanent job. He had to go on social assistance to support his family. He decided to put an ad in the paper to find part time work and earned $800 gross in a one–month period as a self–employed carpenter.

This gentleman reported his earnings to the welfare board. Not only did they deduct all but $50 from his cheque, they did not allow any expenses related to his job, such as advertising. This is very important. They even informed this gentleman that if he put another ad in the paper, he would be considered self–employed and be taken off the payroll altogether. Is this the kind of social policy the country needs at this time?

The third example is one of a young, single mother with two children. This young woman is on social assistance but wants to go to school. She wants to get back into the work force. Because she lives in a rural area where child care is unavailable and she has no means of transportation, she cannot go back to school and re–train.

Our reforms should, and I hope will, address the special needs of those Canadians living in rural areas so they too can benefit from the increased opportunities which will hopefully result from these reforms. It is clear that reforms are badly needed. The response to the government's initiative on my constituents was simple. It is about time.

A recent COM–PAS poll suggested that 91 per cent of respondents want social assistance recipients to be given the opportunity—I am not saying to be forced—to re–train or to do community work. Seventy per cent agreed that social benefits should be re–targeted to the most needy.

What are the principles that should guide us as we embark on these most urgently needed reforms? First, we must ensure that we maintain a social safety net, an income level sufficient for those most vulnerable. We must preserve this compassionate, caring, society that makes us the envy of the world. We must tackle child poverty and encourage self–confidence and personal initiative. We must also ensure these programs are within our means by ending waste, duplication and abuse. We must do this in order to guarantee the future affordability of these programs.

However, the main thrust of these reforms is about jobs and growth. The best social program, as our Prime Minister has said many times, is a decent job that does not only ensure Canadians the means to sustain themselves, but also restores in them confidence and the dignity of work. Félix Leclerc, one of our most prominent singers and authors, once said: "The best way to assassinate somebody is to give him nothing to do."

• (1710)

[*Translation*]

According to another saying, idleness is the root of all evil. By doing everything to put Canadians back to work or to train them, we will not only ensure the future viability of our social programs but also solve at the same time a host of social problems such as family violence and alcoholism.

[*English*]

This is what these reforms are all about, giving Canadians the tools such as child care, retraining and counselling, so that they can get out of the dependency rut and back into productive society.

This reform is about creating opportunity instead of dependency. This reform is about asking all governments—federal, provincial, municipal, employers, and more important the recipients of social programs—to share responsibility. We need programs that are going to be more flexible, adapted to people instead of to the bureaucrats that administer them.

I believe very strongly in the principles and objectives as set out in the discussion paper. I intend to continue to consult with my constituents so that together we will find a strategy to renew and improve our social safety net. Together we will find the courage to implement the changes needed to build a better society where people will have self–confidence and the dignity of a job. Together we will build a society that will continue to be the envy of the world into the next century.

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, I heartily agree with the hon. member's observation that reform is badly needed in the country. Amen to that.

I agree also with his observation that the best social program is a job. If he believes that or if his government believes that, why then does it persist in its destructive anti–employment policy of taxing the life out of the Canadian economy in order to maintain its spendthrift habits? Is this not an unreasonable approach?

**Mr. Serré:** I thank the hon. member for his support. We need reform but we do not need the Reform Party.

But having said that, I have had occasion to talk to the hon. member many times on a lot of issues and we share similar views.

The government certainly believes that job creation should be the number one priority. This is what reform is all about, not only this social policy reform but the document tabled by the finance minister and the upcoming document of the Minister of Industry. All our red book and other programs are geared toward creating jobs, creating opportunities.

We moved in the first budget to remove some of the disincentives that impact on job creation. We reduced UI premiums, and hopefully with constructive suggestions from both opposition parties and from government members, we will find better ways to put Canadians back to work.

It is not only a question of dollars. I know that members of the Reform Party always think money. We Liberals think about people. Putting people back to work is not only saving a dollar or getting more revenue in income tax, it restores to Canadians the dignity of being able to be self–sufficient. To do that, we have to give them the tools.

Right now, as I mentioned in my speech, people have many disincentives to going back to work. They are discouraged from going back to work. Hopefully, with these reforms, we will be able to give them the tools they need to get back to work.

• (1715)

[*Translation*]

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, I am pleased to respond to the speech by the member of the government party.

As you may recall, in the last nine years of the Conservative government, on several occasions when reforms were proposed by the former government, the Liberals—then the Official Opposition—did a very good job. They gained the trust of the Canadian people, who brought them to power. Unfortunately, I think that the government misled the population. May I remind you of former Tory minister Valcourt's UI reform, which created a scandal here in this House.

The Conservatives caused a significant rise in the deficit which, of course, the current government promised to reduce. Everyone, I think, agrees that the deficit should be cut. However, reducing the deficit at the expense of the poor is unacceptable. The people do not want the deficit to be reduced at the expense of the poor.

Last week, the Minister of Finance told us that, although the Bloc Quebecois agrees that the deficit should be cut, there is no other way to bring in the new money that would reduce it. I sit on the Standing Committee on Finance and we submitted to the committee chairman and to the Minister of Finance, on several occasions, adequate solutions that would allow the government to find additional funds.

We also asked the government to cut into the fat of public expenditures, in the right place, namely the other house, commonly known as the Senate. It still costs the government $628 million a year, including all staff.

As you may recall, a minister in this government made a return trip in the same day at a cost of $173,000.

As you may recall, the Prime Minister decided—

**The Acting Speaker (Mr. Kilger):** Sorry, but speeches are limited to 10 minutes and subject to a five–minute question and comment period. It is very short.

Since I want to allow as many members as possible to participate in today's debate, I will let the hon. member for Timiskaming—French River give a short reply, please.

**Mr. Serré:** Mr. Speaker, this will be very short. I thank the hon. member for his statement.

I can summarize their philosophy very briefly. I think that they want to keep Canadian and Quebec families in perpetual poverty because that is what you do when you give them a cheque every month and tell them to stay home and do nothing. For a year, I have heard members of the Bloc Quebecois tell us to stop duplication, that is how we will save money. That is what we are trying to do with these reforms.

For a year, I have heard Bloc members tell us to tax the rich. That is what we want to do with the education reform. We want to stop subsidizing the sons of lawyers and give to those who really need it.

[*English*]

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I want to speak about a philosophy of governing today. The philosophy is called incrementalism. I want to relate this philosophy to the social policy review.

To illustrate, I want to tell members a story. I know how they enjoy a good relevant story. There was a woman who wanted to buy a chicken so she went into a country store where the store owner had a big sign that offered lots of chickens for sale.

The store owner did not tell the lady that he really only had one scrawny chicken left at the back of the store. He offered to catch one of his many chickens and went back into the chicken coop. When he got there he banged a few walls, made some clucking noises and came back with his only chicken.

He said: "That will be $5. Thank you very much". The lady answered: "That chicken looks a little thin. Do you think I could have a different one?" The merchant did not know quite what to do but he was a fellow with a fair bit of gall and a lot of nerve so he kept that stiff upper lip and went back into the coop.

He raised some dust and he hit a few more walls. He made some more clucking noises. He fluffed up the chicken's feathers, turned it around on the plate, took it back out to the lady and said: "That will be $10, please". The lady said: "I don't know. That one looks a little thin, too. I think I better take them both".

This is a great analogy to this social policy review that we are going through.

• (1720)

The Liberals during the last election made a great many promises. They said: "We have many chickens in our coops. In fact, all it will cost you is the election. Trust us. Vote us in and we will bring back your chicken". In fact, on October 10 last year the *Globe and Mail* quoted the Prime Minister as saying: "Let me win the election and after that you come and ask me questions about how I will run the government".

The poor taxpayer bought into the government claims. The taxpayer then said: "Okay, now we have elected you. Just go back into your coop and bring out a nice chicken for us. Let us see what you have". The minister went away and consulted with special interest groups, with his political friends and I suppose some other people and came back with a chicken for the taxpayer. This chicken has a name. Its name is "Agenda: Jobs and Growth". It is a book full of suggestions but it does not have any plans. It especially has no costing to its vague proposals.

Canadians took one look at this poor excuse for a chicken and said: "This is one mighty scrawny chicken. There is no meat on it. How are Canadians possibly going to get a meal from this chicken"?

Allow me to quote what some Canadians have actually said. The Vanier Institute on the Family said: "It does not show an awful lot of commitment by the government at this time to any one of the options put forth". The Caledon Institute of Social Policy said: "It is on the whole thin on specifics".

The *Toronto Star* said: "It is surprisingly timid, vague and short of essential information. It does not contain a single proposal that could be described as original or daring". The paper was panned by the premiers of B.C. and Saskatchewan and endorsed by only one lonely premier. The premier of Ontario called it an insult.

The chief economist at the Canadian Imperial Bank of Commerce said: "It is a bit of a pig in a poke". Apparently, he likes the pork analogy better than he likes my chicken story.

Canadians have had a good look at this chicken now. As the poll on the weekend showed, they like the general idea of cutbacks, but they want to see some more specifics.

However the store owner, the Minister of Human Resources Development, has the same kind of gall as that other store owner. He is going to say: "Okay, another chicken you want, another chicken you will get". He will go back into his chicken coop, make some more political noise, fluff up the feathers of his poor old chicken and bring it out for the taxpayer to see. Do you know what? It will be the same old chicken only it will cost more through higher taxes.

The Liberals delayed this social policy review for nine months before bringing it out. They finally brought it forward and it says virtually nothing. Why are we surprised? It is not the Liberal way to say anything. It is the Liberal way to delay, to study, to talk and to talk and after much fanfare raise the taxes and take the tiniest baby steps toward any kind of resolution of all the problems we are currently experiencing.

I want members to know something. Initially, some taxpayers will accept the government's tiny incremental solutions because at least there is the appearance of change. It is only when taxpayers realize that they need both chickens for their pot, specific plans for social policy change and action on the debt and deficit, that the government will be exposed for what it really is.

What will the minister say when the bluff is called? He will be speechless. It is hard to imagine but I think he will be speechless. He will stand there with empty hands and empty pockets and say: "I'm sorry. All along we only had that one scrawny chicken. The real chicken is a skinny one. We have nothing to deal with the debt and deficit that is in fact destroying our social programs".

The Liberal government has ruled this country for generations. It has always proceeded in these careful half–step fashions. Mackenzie King was a classic Liberal. His words "conscription if necessary but not necessarily conscription" are a perfect example of a Liberal statement. Liberals balance artfully on the fence, careful not too move too fast, careful not to offend. But while the Liberals sit and think and be careful, problems are building up like floodwaters behind the dam.

What are these problems? Examples are everywhere. Serious changes are required in the UI system, changes that Reformers have advocated for some years now. Restoring UI to a self–sustaining insurance type program, funded, controlled and administered by the workers and employers who use it.

For example, there is the new health care review. Change was promised a year ago, promised again in the spring, promised again this fall by a Prime Minister who last week found out that the provinces, health care's largest player, the player that Reformers say should have even more freedom to administer health care programs, will not even participate in this latest $12 million study. Imagine, $12 million and 22 more people to study and review the system for another year. Health care will be close to death by that time.

• (1725)

This goes across the board. The Minister of Public Service Renewal gave a speech a year ago telling the public service that change is coming, but do not worry we are still reviewing and studying. The GST changes are still under review. Tax reform is needed but under review. The $58 million royal commission on aboriginal peoples is delayed for another six months.

If there is no action in our year old social programs a year from now they will be in a far worse situation even if the economy continues to do well. Our debt will have grown in a year by another $40 billion. The likelihood that all will go as planned is small. Life is never ideal. We are in a position of tremendous risk.

All it would take is a slight downturn in the economy, a small jump in the interest rates, to decimate our social programs instead of managing the change now in an orderly fashion.

The government often accuses Reform of a lack of compassion, for wanting to act now on social program reform. Is it really a show of compassion to add another $100 billion of debt on to the country? Is it truly compassionate to force working Canadians to pay more and more of their pay cheques in taxes funnelled to foreigners, money for which they will never receive any kind of a spinoff however indirect, to force more and more jobs out of the economy as Canada becomes less and less competitive because of its debt, to gradually whittle away our civil service and our social programs because more and more must go to pay the interest?

The bank does not care if you have good food on your table as long as you are able to pay your mortgage. In the same way the world investment community could not care less if Canada has any social programs or government jobs or anything else, period, as long as we pay the interest on our debt.

Liberal incrementalism hurts Canadians and that is why Reform rejects their course of action. It is an act of compassion to swallow the tough medicine right now, to make the changes now from further reliance on the federal government and to greater rewards for personal initiatives, for a greater reliance on family ties and on local institutions in our communities, and then finally the personal freedom that can only come from a lower level of taxation.

That is why Reform says we need to balance the budget during the term of this Parliament. That is what we call tough love for our country.

What used to be a clear governing philosophy of incrementalism has even changed of late. Andrew Coyne of the *Globe and Mail* says of this government's proposals: "Behind the generalities lurks a government that is scared to death. It is not the fear that inspires but the fear that transfixes the deadly paralysis of the rabbit in the cobra's gaze".

I believe the Liberals are no longer even incrementalists. They are simply afraid to move, paralysed by problems on the one hand and the titillations of power on the other.

I suggest that it is time to have courage and seize the opportunity. I would like to quote a bit of Shakespeare just to lighten the atmosphere. It goes like this and it is familiar. I am sure Mr. Speaker knows it by heart. It states:

There is a tide in the affairs of men
Which, taken in the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat;
And we must take the current when it serves
Or lose our ventures.

The great floodtide of opportunity is flowing. The time to ride its crest is now. Change will never be easier than today but three more years of discussion papers and reviews may totally ruin our social system.

Liberals will forever regret passing up the golden opportunity to address these problems in last year's federal budget. They will regret passing up today's golden opportunity of economic growth and their party may well break up if the economy founders on the debt. Then a gale force wind will sweep political change over this land and the Reform Party, fully matured and mindful of the long term interests of the country, will be there to pick up the pieces and preserve the essentials of our social safety net.

**The Acting Speaker (Mr. Kilger):** In that same spirit of humour, I do not know if I liked the story about the chickens better or Shakespeare's quote.

• (1730)

**Mr. Brent St. Denis (Algoma, Lib.):** Mr. Speaker, I listened to the member for Fraser Valley East with great interest.

When he was talking about pork and chickens I could not help but think of ham and eggs. He is quite a ham and a lot of the ideas the Reform Party has is like laying big eggs.

I would like to pick up on two points the member raised. First, the Reform Party makes much ado about referenda, listening to the people and responding to what people are telling it. In fact what we are doing in this consultation process of the government is listening to the people.

When the member gets a chance to respond I wonder if he will attempt to square the Reform Party's position vis–à–vis referenda and the need to listen to people with what we are doing as a government to consult with the public to put out in front of Canadians serious options, not just fuzzy ideas.

An example is the second part of my question. In my riding I have the wonderful city of Elliot Lake which has recently gone through a major transformation. Part of that transformation, because of changes in the local economy, has included thousands of seniors moving to the community. We have an opportunity through the options put forward by the minister to engage Canadians who are now maybe on unemployment insurance or welfare to contribute back to the community and help us keep our seniors safe in their homes.

The minister's proposals have given us an opportunity to be creative, have given direction, and I can hardly imagine how the member could respond by suggesting that these options are nothing less than very concrete proposals for the future.

I would ask him to deal with those two points if he would.

**Mr. Strahl:** Mr. Speaker, there are a couple of issues, one which is close to every Reformer's heart, the issue of referendums. Referendums are one way of determining in a very final way what the people in the country want to do as far as taxes, expenses, priorities, things they want to get a handle on such as capital punishment issues, things that are burning in the nation's craw, so to speak.

I have no problem whatsoever with squaring the idea of listening to the people. A couple of days ago, and this is not a referendum, polls indicated 90 per cent of people want action on social policy reform. When do they want it? We could start the chant: when do they want it?—now. When are they asking for it?—now. It has been a year and nothing has happened.

If you were to go to the people and ask if they were prepared for a change, if you wanted to go, if people wanted to initiate a referendum, they would approve massive changes now.

What they will not approve is the other side of the equation where the Minister of Finance continues to fudge on whether to tax RRSPs. Take that to a referendum. People would say absolutely not, reduce government spending, that is how we are going to handle this deficit problem.

I have no trouble figuring it out or relying on the people in the country through the use of a referendum. Referendums, I think, will back up what the Reform Party has been saying all along which is that people want control of the debt and deficit and they want it now. They expect the government to control them through cutting expenses, not through additional tax increases.

Not only would they often approve such things in a referendum but it would give that impetus to the government to say not only do they want it to in a poll, they ordered it to do it and what could be more unifying to the country than that force from coast to coast saying we should get on with the necessary changes now. Referendums are not a problem. We could certainly do that easily.

As far as having creative ideas, all ideas are welcome when a community goes through massive changes. All ideas have to be brought forward on the table. In the paper on jobs and growth pensions are not even mentioned. That is what the citizens of Elliot Lake would like to have more discussion on than what this paper offers.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, it is a great pleasure to participate in this debate today and surely the chickens are coming home to roost.

• (1735)

If the parliamentary channel were to be seen in the other place, and I do not mean heaven—and it probably is for hours and hours of the day—you could bet one thing. All those Liberals, and the place would be full of them, would be rolling over in their graves right now. What we are talking about is how we are going unscramble an omelette. How are we going to make right what the Liberals did 35 years ago in order to buy their power and success with our money? That is what is all boils down to.

We, ladies and gentlemen in television land, are the ones who brought this upon ourselves. The Liberals and the Conservatives, in order to get re–elected or elected, determined the best way to do it was to buy us with our own money. The chicken has come home to roost. Our responsibility, this Parliament, I and my colleagues, are charged with the great responsibility to somehow do this to keep our country whole and to ensure that future generations of Canadians grow up in a spirit and attitude of confidence, self–worth and self–respect.

How are we going to do it? My hon. colleague from Elliot Lake talked about ham and eggs which reminded me of story of a pig and a chicken walking down the road. They are walking down the road and the pig said to the chicken: "Chicken, I am getting a little hungry". The chicken said: "So am I. Do you think we should stop for breakfast?". The pig asked: "What do you think we should have?". The chicken said: "Why don't we have ham and eggs?". The pig thought for a minute and said: "Chicken, when you say ham and eggs, the eggs from you are a donation, from me the ham is a commitment". That is what Canadians need and are looking for today. They are looking for commitment.

There is absolutely nothing as disheartening as going into a period of uncertainty and looking at the captain of the ship and the captain is looking at somebody else to lead. Our country is on stormy waters even as we speak. We need a government, we must have a government, that will take the initiative and do what it is paid to do, lead. The time for studying, navel gazing discussion is long past. We are in serious trouble today and dreaming about it and wishing are not going to change a thing.

There may be some of us here in this House who do not agree with the American philosopher Ayn Rand, but I think all of us would agree with at least this one truism, that you must deal with things as they are, not as you would wish them to be. If we reflect in our daily lives, we know that no matter how difficult the situation we may face from day to day, the minute that we start dealing with the problem it starts getting better.

We know what the problems are in our economy. We know what got us here. Surely we know that the first step is the most difficult to get us out of this mess and that is the chronic overspending of all levels of government.

I would like to spend a few minutes talking about one aspect of this social policy review, unemployment insurance. Unemployment insurance started 35 or so years ago with the noblest of intentions. The idea was that unemployment insurance would help those who lost their jobs tide them over until they were to get a new job. It is a noble idea. Who would disagree with that? It was to be paid for by the people who would use it—insurance. It would be paid for by the companies that hired employees, and employers.

When unemployment insurance started in Canada it consumed 0.9 per cent of our gross domestic product.

• (1740)

That is, of the value of all the goods and services that were produced in our country, unemployment insurance was 0.9 per cent. In 1992–93 unemployment insurance was 3 per cent of our gross domestic product. It had increased from $60 million a year to around $20 billion. No one got up one morning and said we should turn unemployment insurance into something that is not going to work, or will not be what we wanted it to be in the first place.

It gradually, incrementally, took on other responsibilities. It became a method whereby we were able to redistribute income throughout the nation. As it stands today all across the country dependent upon the unemployment rate, it is possible to get unemployment insurance. For instance, in a place with 16 per cent unemployment I think one needs to work 10 weeks a year to get approximately 39 weeks of benefits. If the unemployment in Canada averages 10 per cent, people need to work for, I believe, 15 weeks to get 30 weeks of benefits. It has absolutely no relation to insurance.

Now we have a suggestion in this book—whatever its colour—to change the name, to call it employment insurance. Think about it for a minute. We do not like what unemployment insurance has become, so let us change the name. Let us call it employment insurance. Why do we not call it unfire insurance then? Or let us call it uncollision insurance. Let us do whatever we have to do, but for goodness sake let us not deal with the problem as it is.

Let us obfuscate the problem. Let us somehow bury the problem so we do not have to deal with it as it is. The Forge commission years ago was charged with exactly this responsibility, to make unemployment insurance unemployment insurance. What did we as parliamentarians do? We decided the Canadian people were not ready for these radical reforms such as pay as you go, and it was put back on the shelves.

We do not have to go into a great navel gazing exercise in order to figure out what is wrong with unemployment insurance. All we have to do is make it insurance. There are two aspects to this. There is the aspect of the employer and the employee. Our system has become so generous and so easy to get into that employers, when faced with the decision of letting someone go, find it much easier to look someone in the eye and say "we are laying you off, we do not have enough work", than it is to say "you are out of here because a) you do not show up on time, b) you have not made an effort when you are here, c) you do not groom yourself properly" or whatever.

It is much easier to say "we are going to lay you off". What does that do? That is a tax on everybody else who is working. Does that do anything for the person being fired? It does absolutely nothing.

When someone in our unemployment insurance maze happens for whatever reason to get laid off or perhaps fired, what happens? When people are laid off through no fault of their own, the waiting period is fairly short and they are able to claim benefits right away, as it should be. When people quit they are supposed to be in a situation in which they cannot claim benefits for an extended period of time. They can still claim benefits but it takes a while.

In reality what happens? An employer fires someone and so they go to their local unemployment insurance office and say they were fired. They are asked why they were fired. The person replies: "I do not know. I should not have been fired. I am the greatest employee ever ".

They therefore go to the referee. The person who fired them has to go through a long and involved process of saying why they fired them. Then they have to go to a committee of three people to justify it. Otherwise the person has recourse to say that he or she was laid off.

• (1745)

All this does not do anything to strengthen the insurance aspect of what we are talking about. It would be relatively simple in many of the great problems we have if we boiled it down to some very straightforward essentials.

A basic mandate in everything we do is that it must be fair and have equity. Fairness and equity must be the underlying values in everything we do in social policy review including unemployment insurance. We must inculcate with everyone—employer, employee, parent and child—a sense of personal responsibility for our successes and our failures in life.

If we were to do so, we would go a long way in establishing a sense of self–sufficiency, self–confidence and self–worth in ourselves as individuals. It is up to everyone as individuals to make their way in life; it is not up to the government to do it for anyone.

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Mr. Speaker, I listened with great respect to the comments of the hon. member.

After listening to the first story about the chicken and then the story about the chicken and the pork that were side by each going down the road and after hearing comments from previous speakers across the way, I remembered, coming from Atlantic Canada, that in many cases we were very fortunate to have the slim or the thin chicken in our pot of stew. Sometimes those comments scare me. I wonder whether we would have anything to put in the pot if we were to listen to some of the comments of the Reform Party.

I want to direct a question to the hon. colleague across the way. Has he read the green book, the paper of the Minister of Human Resources Development that was tabled a week or so ago now? Does he realizes that the minister invited consultation? Does he intend to go to his constituents and say this is an opportunity for them to participate, to have input and to have their input respected as the input of other members of the Reform Party and of other parties in the House will be respected by the minister, the department and the government?

The opportunity for consultation, the opportunity that Canadians were crying out for, has been lacking for many years. They want to be part of a participatory government. Then we have it and, if we listen to the Reform Party, it is saying: "Make up your mind tomorrow, dictate to Canadians, and forget about consultation".

I am somewhat confused when I hear such comments because I believe that what Canadians want is participatory government. That is what Canadians want in my constituency, in Atlantic Canada, and I suspect in other parts of Canada. The Minister of Human Resources Development has given them the opportunity to be part of it. He has given you the opportunity to be part of it, Mr. Speaker, and every member of the House.

Let us get to constructive input that will help the department and the minister bring about a social program that is not only good for all Canadians but supportable to all Canadians.

**Mr. McClelland:** Mr. Speaker, I thank the member for his question. It gives me the opportunity to tell residents of Edmonton in general and Edmonton Southwest specifically that the meeting at which we will be discussing this subject will take place on November 7 at 7.30 p.m. at the Royal West Edmonton Inn as part of our ongoing discussions and deliberations with constituents.

The hon. member mentioned dependence and consultation. Consultations must be more than a feel good, giant warm fuzzy smurf ball that we are throwing out and let us all hug it and think we are doing something.

• (1750)

There has to be a specific purpose to what we are doing. Before we can consult on the benefits of one program versus another, let us put some costs up front, let us attach some costs to it. Who in business would decide to go down plan *a* or plan *b* without first determining where plan *a* is starting and finishing? That is what is missing in the whole consultation review.

I have lived in the maritimes and have some considerable sympathy for what people have talked about in an area of the country considered to be chronically depressed. I do not think that is true. I do not think the maritimes are chronically depressed. As a matter of fact it is interesting to note that the Bank of Nova Scotia did not start in Toronto; it started in the maritimes. The wealth and power that existed in the maritimes for many years have gradually progressed eastward to Toronto and are concentrated in southern Ontario.

If I were a person living in the maritimes I would be on my feet screaming for a triple E Senate to give my region at least some power and say in the national decision making of the country. That fairness in the triple E Senate will go a lot further to putting the maritimes in a stronger financial position than all the equalization payments forever which have done nothing.

**Ms. Judy Bethel (Edmonton East, Lib.):** Mr. Speaker, I welcome the opportunity to participate in the debate on revising our social programs.

There have been questions in the House about the consultation process and some assertions that it is not genuine. There have also been statements that the discussion paper is out of touch with Canadians. Some have even said Canadians do not want to overhaul our social support system, while others have argued that Canadians want major reductions in our social programs.

I will deal with both those arguments, not by using conjecture or my own opinion but by using the results of a public forum on the future of social programs held in Edmonton East in June. The results of the forum were submitted to the government before the discussion paper was finalized. I am happy to report that the document tabled this month reflects much of what my constituents said. It is in touch with Canadians.

By way of background, in my first speech here I indicated Edmonton East is a microcosm of Canada in many ways. We have a very diverse population with a mixture of occupations, income levels, social and cultural backgrounds. All this diversity is similar to the diversity of Canada and was represented at the forum. The group had in common a desire to do what was best for local communities, what would best meet the needs of all people there. That is also the basic value that Canadians hold.

It is significant there was general agreement that our social programs needed to be revamped to accommodate current realities. I heard two general themes that night. One was an appreciation for Canada's history of social programs as a good way to demonstrate caring and to build community. No one said to do away with them. Second were suggestions for modifications and improvements. No one defended the status quo as good enough.

There were differences of opinion, lots of them, as there are across the country. Even more, there was an appreciation that the government is ready to tackle the problem, not to destroy our heritage but to improve on it. The residents of Edmonton East also put forward some general directions for improving what we have and a number of specific suggestions. I am happy to report to the House that the discussion paper includes many of the suggestions. Let me highlight a few.

It was no surprise that increasing employment opportunities was a high priority in every discussion group. "Training is not much good without jobs", said one participant and others agreed. More worthy of note was the recognition that there is a positive role for government to play in job creation in partnership with the private sector and local communities. No one can solve the problem alone.

Of particular value for the coming months of debate in the House was the willingness of my constituents to recognize and to deal with the bigger question of how we define and distribute work in Canada. They want to see a better sharing of employment opportunities. They want to see that people who contribute to building our communities have adequate resources for their basic needs whether they contribute through traditional jobs or by doing the work that needs to be done, such as caring for children or community work.

• (1755)

They recognize our economy may have a shortage of paid jobs but there is a lot of work to be done in the country. They said volunteer work was productive work and should be recognized by federal programs. They also recognize that employers sometimes exploit employees because the lack of jobs makes them vulnerable. "There is no accountability for employers in the present circumstances", said one participant.

Going one step further, we as a society need to come to grips with new ways to share the dignity of work and its just rewards. "Overtime should not be allowed when so many people go unemployed", said one person. Others questioned the belief that being home with children is no longer considered acceptable work. We look forward to the proposals that will come from the task force currently working on the question of distribution of work in our society.

Another strong theme was the need to improve training programs and educational opportunities. Residents show an incredible wisdom. They care about the quality of the programs and getting good value for their tax dollar, not about who delivers them.

Portable skills, on the job training and life skills were all suggestions that found their place in the discussion paper. One specific suggestion was apprenticeships for women at any age, recognizing that they may be re–entering the workforce after raising children. More opportunities for less academically oriented youth was another emphasis. We do not need just more access to university but more diverse kinds of education to develop the many different skills of our young people and help them find their niche in a global economy.

In addition to improving the quality of individual programs, residents want better linkages between jobs, programs and services. Income support programs need to be linked with training programs and training programs with real job potential. "Many of the good programs are too small", said one group. Several groups suggested replacing fragmented programs with a mix of guaranteed annual income and guaranteed employment.

The participants in the Edmonton East forum understood that cheap is not the same as efficient. They recognize that adequate support is necessary to achieve self–sufficiency. We need to invest in people if we want them to invest in building our country. People must be able to meet their basic needs in order to be productive, learn new skills or care for children.

Of particular importance in our debate is the emphasis on the needs of children and the importance of giving children a good start in life. To me an important test of the success of our revision of social programs will be whether or not children living in poverty in my riding are better off. Maybe Premier Kline can close his eyes to what is happening on the streets of my city. I cannot. I see poor children who are too hungry to learn well. Last week I met school children who are without warm enough clothing to go out and plant tulips in the Canada Remembers Program.

Everything is not all right in Alberta and that is not the vision of Canada we want for our children. Some may not see the connection between substandard housing, unemployment, frustrated young people and public safety. The residents of my riding know the connection because they live with it every day. They know what it takes to build strong communities and that is what they want governments to invest in.

That leads me to the last but perhaps the strongest theme I heard: the importance of community support, non–financial support. An income cheque does not create security. Young people and seniors need a sense of belonging and involvement in their community rather than isolation and alienation. Young families and children need more than money. They need community support for the important task of raising the next generation.

Edmonton is known for its strong neighbourhood associations and its many community run agencies that respond to local needs and help to build local community networks. This network is under severe distress, thanks to drastic provincial cuts without consulting the people affected by them. Ironically it is especially in times of uncertainty and rapid change like we are living through today that every community needs some social support services and networks.

The participants in the Edmonton East forum want the federal government to take an active role in co–operation with cities and local communities that know what needs to be done. If we do not want people to fall through the cracks and become dependent on federal government handouts, we must ensure that local communities, not just provinces, have a voice in deciding what kind of social support network is effective.

• (1800)

Focus on local action, residents told me, not national committees or endless federal–provincial consultations. It is community networks for example which provide young people with a sense of belonging that leads away from crime to safer streets.

Perhaps our fixation on federal–provincial relations is too narrow. Perhaps communities, especially our large urban ones, should have a more direct voice when it comes to the social development of our country. The people in my riding are concerned that we are losing that sense of community that built this country and they want to rebuild it. This is the most important goal for our revitalization of Canada's social programs.

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, I believe the member was in the House when I last asked this question about universality so she will know where I am coming from.

It must be said again and again that the Reform Party stands for ensuring that our country has the ability to be able to take care of those in our society who are most in need, the kind of people the member was just talking about.

However, with the greatest of respect to the other Liberal members who have responded to this question, I have yet to get what I consider to be a straight answer to the question.

Perhaps we could rephrase the question with respect to universality and say this. If we define universality as being programs that are not only available to all members of Canadian society, but that in fact just automatically come out to members of Canadian society, and if we recognize the problems, the difficulties that we have developed in Canada as a result of this process, and the fact that we are going to have to target to make sure that people who have the most need, whether it is old age security, health care, education, or whatever the process is, maybe we could define it and come down to something more precise.

Specifically, which programs would the member want to ensure remain under this universality blanket in its broadest sense? That way, rather than just a simple yes or no we can have a sense on where the member would see this going on the basis of the input that she has had from her constituents.

**Ms. Bethel:** Mr. Speaker, I appreciate the question. I think universality is perhaps one of the most undefined and misunderstood words that we have. I guess it is for that reason I will choose not to use it.

What I believe in and what is incredibly important to embed in all the programs that we offer, be they social programs or economic programs, is equity. That to me means that there is equitable access, that there is fairness and equity and everyone has equal, equitable opportunities.

The hon. member has asked what kind of social programs should be excluded. I really believe this consultation process that we are undergoing now is incredibly valuable. For one thing I think it has all Canadians focused on exactly what we need to offer in the way of social policy. What has come through very clearly is that we need to target those in need.

The other incredibly valuable thing that we have done is we have discussed this with those who receive the programs and the benefits, not just the provinces and not just those who deliver those programs but the people who actually receive them. What we find from that is that is where the wisdom and the experience with those programs comes from. That is where we see some of the very best suggestions of change on how to make those programs better, more efficient, more cost efficient and more effective.

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** I have a really short question for the hon. member.

You mentioned that your community wants more community involvement in the process. Can you see programs within the system where the community can take over part of what the federal government is now involved in?

• (1805)

**The Acting Speaker (Mr. Kilger):** Before I give the floor to the hon. member for Edmonton East I would just remind my colleagues to direct your interventions through the Chair and not directly to one another.

**Ms. Bethel:** Mr. Speaker, I think what we have seen in the past few years is a real desire by communities to be self–sufficient, in essence to take care of their own needs. If those needs relate to children, whether they be recreation or nutritional programs or whatever, I certainly see there being real value in community groups and organizations taking over those functions.

It is important to know that those organizations will need some kind of support to get them going. It is happening now.

[*Translation*]

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.):** Mr. Speaker, there is no doubt that the government can modernize our social security system and, based on the most recent polls, Canadians agree with that. But, first and foremost, we must all think about the kind of society in which we want to live. Together we must all search out the solutions which are appropriate for us. This is a matter of mutual responsibility.

We must, in particular, consider the way we spend and not just how much we spend. This is what the social policy reform is all about. We all agree that the problem has to do with the fact that the nature of work changed drastically over the last 30 or 40 years and that our manpower training programs are no longer adequate, given the new technologies and markets.

We all agree, including the opposition, that our rural and urban areas had a better trained labour force which attracted more investments and generated new jobs. This is why we proposed a two–tier UI reform: one to help people who normally work but sometimes need to rely on unemployment insurance; the other, with more emphasis on training, for those who have difficulty getting back or staying in the workforce. As you know, this is why a sub–committee was set up.

The second element of the proposed plan concerns post–secondary education. In Canada, education falls under provincial or territorial jurisdiction. However, since the early days of Confederation, the federal government has supported post–secondary education because of the fundamental link between education and employment.

That support has partly contributed to the establishment of our universities and colleges. Accessibility is the new great challenge which our post–secondary system must face. Indeed, our institutions must train and prepare many more people than in the past, and the training provided must be better targeted to the new jobs being created.

In fact, in the last three years, the number of jobs offered to university graduates has increased by 17 per cent, while jobs offered to workers with no post–secondary education has decreased by 19 per cent.

The idea that learning is only for kids and young adults is now obsolete. Canadians must be able to enjoy better education and training opportunities throughout their working lives. We are now talking about life–long training. We must modernize the system to avoid restricting access to education and training either for young Canadians who are just starting a career or for workers who want to keep up with the changing economy.

In a competitive global market, investing in learning is a wise decision from an economic point of view, but it must also be a shared responsibility. The goal is to maintain and extend access to post–secondary education and training.

Too many people spend years on welfare, when they could find work if they had efficient support to look for a job or further their education. The fact is that, since 1981, the number of welfare recipients in Canada has doubled to reach a little over three million.

Our social security system should protect the haves–not, that is the people who cannot work, the low–income families, the disabled or chronically ill and especially children living in poverty.

• (1810)

One thing is clear: even if the Canadian government had a surplus instead of a deficit, we still would have to modernize our social programs. We need a social security system that is viable in the long run. We need a system that gives people the means to break free from the bonds of welfare or to seek separation from welfare, as the Opposition would put it. There is too much unemployment, too many children living in poverty. The time has come to act and to solve these problems.

This being said, we encourage Canadians to take advantage of the social security reform process to make their points of view known. In the weeks to come, a committee will hold hearings in all parts of the country. At the same time, hon. members will hold, as I did, public meetings in their ridings to consult their constituents.

Later, the Canadian government will discuss the review with the provinces, and I certainly hope, like a majority of Quebecers, that the Quebec government will take part in this Canada–wide consultation.

The facts are clear. We must concentrate our efforts on the most vulnerable. This is only just and fair.

No one, of course, expects the working paper to solve everything. It addresses a structural problem. It shows us the way to a society that is better adapted to the social realities of the year 2000. However, the Canadian government is also undertaking initiatives to resolve difficulties in all other areas, including a detailed examination of each federal program and the modernization of government operations. It is also taking concrete measures to help businesses take advantage of new technologies and enter foreign markets. That is why we have asked Jacques Parizeau to be part of the team that will leave for China in a few days.

It takes time and a lot of goodwill to bring about substantial reforms, but I can assure you that the Prime Minister, the government and the Department of Human Resources Development have the vision, the patience and the determination necessary to modernize our social programs and to adapt them to the needs of Canadian society and to the requirements of the next century.

[*English*]

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, the member will know that I have a question.

I was interested in the response to my question about universality from the colleague who just preceded him. She said, and I think I wrote it down correctly: "We have to target to those in need", which of course has been the position of the Reform Party all the way through.

One thing has been really instructive. It perhaps sounds like I am trying to redo the election of a year ago, but it seems that this position that we have to target to those in need has been coming forward from the Liberal members seems to be unique to the members of the Liberal Party who have been elected to this House. During the course of the election I did not hear that.

When I said we have to target to those in need, what I heard from our political adversaries, some of whom happen to belong to that party, was: "Oh, you are out to destroy the social programs. Oh my goodness, what is going to happen now? We believe in the sanctification of the concept of universality".

I would like to ask this member exactly the same question. Perhaps I could ask him if he too would like to reflect back approximately a year ago, 364 days I believe, the anniversary of the election being tomorrow. I wonder if during the course of the election we could find anywhere in any of his speeches or his public pronouncements where he got up on a soap box and said: "I, a Liberal candidate in this election, say we have to target our social programs to those in need" or if he was like some of the other people who I was in contest with who were saying: "No, no, we can't do that. It must be universality". Has this member changed his position from the election?

**Mr. Gagnon:** Mr. Speaker, I think there is a well known concept here of accepting universality. If we look in terms of health care for example, all Canadians are treated in equal fashion. It is not an American system, it is a Canadian system. We can just take that as an example. We do believe in the universality of treatment. We do not believe in charging user fees for someone who needs cancer treatment, like they are doing now in some provinces, one being the province of Quebec and, if I am not mistaken, in the province of Alberta where they have made considerable cuts in health care.

• (1815)

It is not the opinion of the government or myself as the member for Bonaventure—Magdalen Islands to accept such cuts in that domain.

That being said, the concept of universality in health is maintained but there are other aspects as well in terms of where we should reorient our services, the caring for children, trying to do more for those who are impoverished.

We are also looking at the possibility of maybe reorienting our program on high income earners for child care. That money should be used for those who are really in need.

We are looking at universality one way or another across Canada but at health care where it is really needed. There should be no class differentiation between a cancer patient in Quebec or a cancer patient in Alberta. They are all suffering from the same disease, therefore they should all get the same treatment.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I will try to make this brief.

I was interested in the hon. member's adamant support for the universality of our health care system. I would like to compare the current problem we have in our health care system to that of buying a car.

If a person wanted to buy a $20,000 vehicle and found that he had only $15,000 and had to get the other $5,000 from another source, who should be in control of the car? Should it be the person who bought the car and put the majority of the money in or should it be the lender who gave him the $5,000?

Our current health care system is primarily funded by the provinces yet the federal government wants to call the shots, dictate the terms of the Canada Health Act. I would like the hon. member to respond to that.

**Mr. Gagnon:** Mr. Speaker, health care has nothing to do with buying a car. It is not a luxury, it is a right. Canadians have the right to equitable health care across Canada.

If the member wants to continue with these transfer payments—I am not expressing the government's position, I am expressing my own personal impressions—the provinces must recognize that we cannot stand for user fees. One cannot start creating private clinics across Canada.

We cannot say that because one person has money he will get cancer treatment and because the other person does not have money they will go into a U.S. system where they will have to rely on charitable organizations to pay for their health care.

That is not the Canada I grew up in. That is not the kind of Canada my grandparents built and believe you me, Mr. Speaker, my children will remain Canadians, when I have children. We will still have universality. That is one of the hallmarks of Canada and especially of our health care system.

**The Acting Speaker (Mr. Kilger):** We have been known to make promises.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, let me tell you that I am shaken and even bewildered by this Liberal document on social programs.

There is nothing in that green book save proposals to reform our system on the backs of the poor. That, in my opinion, is a step backwards. Where are the commitments made by the Liberal government in its red book?

When will the government stop treating people in Canada, in Quebec, and other provinces like gullible fools? The government is hiding behind vague consultations that will drag on for months. Countless organizations will express their disappointment to the committee. They will be listened to politely when in fact the dice are loaded and decisions have already been made. The minister will cut $15 billion in social spending. Those who will be affected are middle and lower class families.

The reform proposal is a shameful attempt to reduce the deficit and the debt on the backs of those people. The Liberal government has a smile on its face while it attacks the poor, not poverty.

• (1820)

Above all, the government is not acting as a good government should. A good government should be more concerned with today's realities, that is excessive government spending for day to day operations and wasteful spending due to the refusal to abolish overlap between different government levels.

The reform has a very negative impact on those citizens who want to work and cannot find jobs and for whom there are no jobs. The government is creating second class unemployment for workers in uncertain jobs. These workers represent 40 per cent of the workforce. Among those uncertain jobs, many are cyclical and seasonal. Ask a lumberman to work when all the felling is done. Ask a construction worker to build when the work site is closed. Ask an independent worker to provide himself with contracts. It is ridiculous.

These people will have to find jobs that do not exist just to show their good will to the Liberal government. It is totally ridiculous and even worse because the government won the election with a platform based on three words: jobs, jobs, jobs. Was that just wishful thinking? There are still no results. The Liberal government has not yet understood that people in precarious jobs are already subject to economic instability. They want to add to their stress, to their feeling of helplessness and to their despair.

Another option is the social label. With this reform, the minister will impose mandatory employability measures, training programs and community work on the unemployed. What a mess! Hon. members opposite do not realize that to deal with structural unemployment, we have to change the structure of employment. The federal government should let the Government of Quebec set up its own manpower training system, and it will save money in the process by reducing duplication in this area.

Let the provinces be responsible for manpower training. Social security reform puts groups that have already been severely hit on the firing line. Young people, single mothers, seasonal workers, workers who are fifty and over, and the middle–class will be hit harder than anyone else. On top of that, they will pay higher premiums and receive lower benefits.

Women will be the first in line. The minister is undermining their financial independence, which they fought for bit by bit, for so many years. And it gets even worse. Is this the Liberal government's vision of the future? When the spouse's income becomes a factor that determines eligibility for unemployment insurance benefits? Does this mean women have the right to work but are not entitled to unemployment insurance if they lose their jobs?

The federal government is not focusing on the real problems. It sharpens the differences between classes in society. The gap between the rich and people on middle– and low–incomes will get wider. Society is becoming polarized. Furthermore, the government is introducing cuts in transfers to the provinces for post–secondary education, cuts totalling several billion dollars, which represents about $300 million for Quebec.

With cuts like these in post–secondary education programs, CEGEPs and universities will have to raise and even double their tuition fees. It is clear that education will become an impossible dream for students of modest means.

• (1825)

Students from socially disadvantaged families will have a clear choice: either they go deep into debt or they can forget about higher education. Yes, the choice is clear. Only one class in society will be able to afford higher education: students from rich and wealthy families.

To this, the Bloc Quebecois says no. We refuse to set the clock back twenty years. Access to higher education is everyone's right, a the right that students alone should be able to exercise on the basis of personal choice, and not on the basis of whether they can afford it. Students cannot afford to go into debt to get an education, and the minister's answer to that is unrealistic. He talks about using RRSPs. How can a student use an RRSP he does not have? The minister of course, will say he is referring to the parents RRSPs. Yes, but the truth is that middle–class parents need their RRSPs to live on during their retirement. If they were able to contribute to an RRSP, it was because they made certain sacrifices.

The Bloc Quebecois is convinced the social security reform proposals presented by the Liberal government are merely a tool to strengthen Ottawa's centralist tendencies. The federal government is using every means at its disposal to appropriate the jurisdictions of the provinces and has no desire to cut wasteful spending and duplication.

The Chrétien government is cutting social programs instead of providing for consistent and comprehensive job–centred policies. It wants to reform the unemployed instead of dealing with unemployment. It is using this reform to become more and more involved in areas over which the provinces have exclusive jurisdiction.

Has the minister not considered some legitimate budget cuts? It would make more sense to work on recovery of bad debts totalling around $6 billion. Withdrawing from areas of provincial jurisdiction would save another $3 billion. Tax reform would provide an opportunity to measure and control the deficit. Hundreds of millions could be recovered in the process. Consider family trusts. I am sure that with the approach it has selected to reduce the deficit and reduce the debt and foreign interest payments, the government is on the wrong track.

What we need is genuine reform, genuine tax reform that will give us the resources we need to put the country's finances back on track.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.):** Mr. Speaker, once again we hear about provincial and federal jurisdictions. Some say that the federal government is interfering in programs that are administered by Quebec.

Friday, I read in the *Le Soleil* the Lise Bissonnette's editorial about the costly failure of education in Quebec. According to an internal report of the Commission des écoles catholiques de Montréal on the drop–out problem in high school, the situation is a real mess. Now, this is the province's jurisdiction, Mr. Speaker. In the same editorial, I read that 46 per cent of the students registered in the French sector of the CECM drop out of school. That is what provincial jurisdiction gives us.

I also read that 3,000 young people, 50 per cent of whom are under 16, drop out of school on Montreal Island. Again, this is the province's jurisdiction. I also learned that in the disadvantaged areas of Montreal Island, eight students out of ten do not finish their secondary education. That study was done by the Commission des écoles catholiques de Montréal. I also read that generally speaking 35 per cent of Quebecers do not finish high school and that Quebec comes in one of the last among developed countries. I think it is time we stop hiding the truth and stop accusing the federal government. We have proof of what we say.

• (1830)

Lise Bissonnette, who writes the editorial in a famous nationalist newspaper, challenges the Government of Quebec to address the problem once and for all. We have been waiting for 20 years to see Quebec assume its true responsibilities. It has the jurisdiction, let it exercise it. Now, we are told that the federal should transfer its powers to the province, but Quebec is not doing its homework.

**Mr. Fillion:** Mr. Speaker, as a former teacher in a Quebec composite high school, I must say that what is being described as a bad education system, is not. The 46 per cent that are being mentioned are students who drop out because they are not offered appropriate courses. The people who decide on the curriculum are being dictated to by Ottawa, and yet, the only one who knows what students need in their schools is the Quebec government. We have to take these statistics with a grain of salt.

If we have a 46 per cent drop–out rate, it is because we do not give these students the means to fulfil themselves; this will only happen when the Quebec government has full authority, when it holds the levers of power. Only then will we be able to take charge and give our students, girls and boys alike, all the options they need to fulfil themselves.

This is sure to have an impact on unemployment rates. In an area like mine, in the Saguenay—Lac–Saint–Jean, what is the use of training welders when, as we are talking, the unemployment rate is 16 per cent, and they are not in demand? We must train people in the branches for which there is a need. Only Quebec can pinpoint these branches.

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, on October 5, the Minister of Human Resources Development unveiled a document entitled: "Agenda: Jobs and Growth—Improving Social Security in Canada".

First, I would like to say that this work plan is misleading, and that the title itself is tantamount to false representation. Of course, the green book deals with jobs, but to my utter disappointment and that of all those who read it, growth is never mentioned.

It says on page 19, and I quote:

> Many Canadian families lost economic ground during the 1980s and early 1990s. Overall, the average disposable household income has not grown since the early 1980s.
>
> In recent years, increasing numbers of Canadians who cannot find jobs have turned to social assistance.

As you know, Mr. Speaker, more than three million people depend on social assistance, and this does not include some 960,000 workers who currently receive unemployment insurance. This, of course, does not include those who qualify neither for social assistance nor for unemployment insurance. This is a disgraceful and intolerable situation in a country which claims to have the best social security system in the world.

When faced with such facts, how can the minister argue that he is talking about growth! He should have added the word debt in the title. It would have read: The growth of the debt and the social security of the future. It would have been a much more accurate title for his discussion paper and for the measures he intends to propose.

• (1835)

To me, this draft action plan is simply a monograph on the state of employment in this country and the incapacity of federal programs to answer job creation needs.

The social security that the minister is seeking for the future in Canada will disappear sooner or later. This is the real agenda of the Minister of Human Resources Development and of the federal government he represents.

I should also say that the Prime Minister's speech conceals the real intentions of his government. He tried to make us believe that he feels for those who can no longer find jobs. In a speech before the Canadian Chamber of Commerce, he said: "We do not provide Canadians with sufficient assistance to find jobs and to keep their jobs. They do not get enough help from us to acquire the knowledge and expertise that will allow them to compete world–wide".

Paradoxically, this reform proposal, apparently designed to help the government make its system more cost–effective, will bring about major cuts in UI benefits, index–linked cuts in provincial transfer payments for social assistance and substantial cuts in provincial transfer payments for post–secondary education.

The Prime Minister talks about investing in our human resources and in learning. Why does his minister suggest that cuts be made in manpower training and income security programs then? Whom are we to believe? The Minister of Human Resources Development, the Prime Minister or the Minister of Finance, who is calling for major cuts? Which of them are we to believe?

The real purpose of this social programs reform is not to promote job creation and learning but rather to initiate the Minister of Finance's budget cuts. And this means cutting blindly in social programs across the board.

A secret document submitted to the federal Cabinet and published by the *Toronto Star* on October 5, indicated that another $7.5 billion in cuts over the next five years were contemplated, in addition to the $7.5 billion already announced in the last budget.

Furthermore, the Minister of Human Resources Development tells us on page 23 of his paper:

If further measures are required to achieve the government's deficit target, they will be included in the 1995 Budget.

Mr. Speaker, they could not be more explicit.

The federal government's main objectives are clear: the first is literally to cut social programs and the second is to take control over areas of provincial jurisdiction, by maintaining a unilateral decision.

From reading the green paper, I see that most of the options presented are centralizing. So what are the Liberal government's real intentions?

First, it wants to take back large amounts from the poor and the middle class, then it sneaks into areas of provincial jurisdiction without even touching on the Canadian Constitution.

We must admit that the federal Liberal government timed its operation well. It waited for the results of the election in Quebec to present its draft working plan. Moreover, the minister now thinks that he can delay tabling his reform until the fall of 1995.

We now understand why the Prime Minister insists that Quebec hold the referendum on sovereignty within eight to ten months. The Prime Minister wants Quebecers to vote in the referendum before the social program reform is tabled.

The minister cannot go on hiding his intentions on the pretext that he wants to consult the people and the provinces some more. What, quite frankly, has this government been doing for a year now but consulting and reconsulting? And without really doing that much, we might add.

Since the minister showed no consideration for the first phase of consultation on unemployment insurance reform, why would it be different for his social program reform?

We in Quebec note that the federal government's timetable is based mainly on political events in Quebec, which confirms our fear that it wants to attack the jurisdiction of Quebec and of the other provinces.

• (1840)

As the Official Opposition party in the House of Commons, the Bloc Quebecois will participate in the reform consultation process, even though we feel that the government has already made its bed. Be assured, Mr. Speaker, that we will be there to defend Quebecers' interests. We also hope that the minister will have the decency to table his reform before the referendum on Quebec sovereignty.

Quebecers have a right to know what the federal government is plotting behind this whole reform. They will not be had a second time like in 1980. As we all remember, to win his cause, Prime Minister Trudeau told the people that no meant yes, and we know what happened next, namely the unilateral repatriation of the Constitution without Quebec's consent, followed by the rejection of the Meech Lake and Charlottetown accords.

My colleagues from Timiskaming and Saint–Hyacinthe—Bagot, who sit on the Standing Committee on Finance, have already made concrete and realistic suggestions for eliminating the federal deficit without touching social programs. These suggestions are as follows. First, recovering bad debts, which would bring in some $6 billion. Second, the federal government's complete withdrawal from areas of provincial jurisdiction, which would generate at least $3 billion. Third, reforming taxation of family trusts, which would bring in between $300 million and $400 million. Fourth, cutting subsidies to unproductive and non–competitive businesses, which could save $3.3 billion. Fifth, cutting the defence budget by $1.6 billion. Sixth, withdrawing at once from Hibernia, which will cost federal coffers $250 million this year. These are concrete measures proposed by the Official Opposition to help eliminate the federal deficit without touching social programs.

In conclusion, this paper should have put more emphasis on the diversity of our labour markets and, as indicated by the polls commissioned by the Department of Human Resources Development, on the need to delegate to the provinces the responsibility of employment services programs as well as vocational training for welfare recipients.

Instead, with its reform, the federal government persists in trying to reduce the deficit at the expense of the poorest and of the middle class. The Liberal government targets those who already have nothing, namely the poor. In its discussion paper, the government uses the word employment in an abusive way, for there is no mention of any job creation strategy in it. Instead of tackling the problems of waste, mismanagement and lack of jobs, the federal government now targets the unemployed and the middle class.

I will end by saying that a member of Parliament also has a responsibility to protect the poorest in our society. We must represent all our fellow citizens and in particular those who are most often victim of prejudice or rejection: the poor, the unemployed, our seniors and, in particular, our young families. I sincerely think that this social program reform will not solve any of the problems which the government wants to tackle.

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## ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn to adjourn the House under Standing Order 38 is deemed to have been moved.

UNEMPLOYMENT

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, on September 19, in this House, I asked a question of the Minister of Finance.

• (1845)

I stressed the fact that, according to Statistics Canada, the unemployment rate had risen by 0.7 per cent in August in Quebec and that it stood at 12.2 per cent. I said that in spite of a slight economic recovery and given the increase in population, Quebec still needed 210,000 jobs to reach its pre–recession level of employment.

Therfore I asked the Minister why did he not decide to create jobs by proposing concrete measures?

That was in September. We are now at the end of October and I must say that unemployment in Quebec is still at 12.2 per cent and the minister replied that 77,000 jobs had been created since the beginning of the year. These figures must be adjusted downwards because 28,000 jobs were lost last month, and 4,000 the month before.

This means that, despite the recovery, and despite the fact that the economic situation of Quebec may seem bright, it does not make any difference for the workers. Unemployment is still officially at 12.2 per cent and there are no forthcoming government initiatives that might help Quebec get out of this difficult situation.

I also asked the Minister of Finance when he would be reducing the UI premiums in order to lighten the burden of small– and medium–sized companies? When? The opposition has been denouncing the increase in UI premiums for over a year now.

The minister said it was an excellent question and that he was going to, but he did not. I will ask him again, and we will keep asking, even more so because he makes Quebec and Quebecers pay a high price in the first phase of the unemployment insurance reform. Billions, we now know it, billions have been accumulating in the unemployment insurance fund. The minister, contrary to what he says, contrary to what we can read in the green book, does not care about job creation, in Quebec at least, since he seems satisfied with the present situation.

I can only repeat my question: When is he going to lower unemployment insurance premiums? We cannot accept any other answer than an agreement to lower them now.

**Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, as the member pointed out, employment in Quebec continues to be below its pre–recession peak. This is an unacceptable situation, which this government intends to correct.

The weak employment situation in the province reflects the loss of 135,000 jobs and the rise in the unemployment rate of more than four percentage points in the three and a half years prior to the election of this government.

In less than a year since this government was elected, over half that loss has been recovered. From October 1993 to September 1994, full–time employment has increased by 102,000 in Quebec and the unemployment rate has fallen a full percentage point, from 13.2 per cent to 12.2 per cent).

At this rate Quebec will reach its pre–recession peak in seven months. The recent strong employment growth in Quebec and across Canada has been helped by this government's freezing of the UI premiums below the required statutory rate in 1994; and the implementation of the $6 billion Federal Infrastructure Program to encourage capital expenditures.

Employment growth will be further helped by a rollback in the UI premium rate in 1995, as announced in the 1994 Budget.

The changes in the UI program announced in the last budget and the additional changes which will result from Minister Axworthy's social security reform will allow further reduction in UI premiums in the future. Because of lower payroll taxes, businesses in Quebec will find it easier to create jobs.

We have reasons to be optimistic that employment growth will continue. Employment growth in the past two quarters has been the strongest in more than five years.

Furthermore, growth in the economy is gaining momentum. In the second quarter, the real GDP grew 6.4 per cent (annual rate), up strongly from about four per cent in the previous two quarters and in 1993 as a whole.

All sectors of the economy are now contributing to and reinforcing the growth in employment. Surging exports led to a record real trade surplus in July. Strong growth in current and planned investments in non–residential construction indicates firms are beginning to expand their production capacity, which will require more employees.

Improving employment prospects have boosted consumer confidence and consumer spending.

However, for Quebec to share fully in the strong employment growth outlook for the Canadian economy as a whole, the political uncertainty about Quebec's future within Canada needs to be resolved.

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 38, 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.

(The House adjourned at 6.53 p.m.)

# HOUSE OF COMMONS

**Tuesday, October 25, 1994**

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*English*]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 58 petitions.

* * *

### INTERNATIONAL JOINT COMMISSION

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I would like to table, in both official languages, the government's response to the seventh biennial report of the International Joint Commission.

* * *

### GREAT LAKES

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, in record time this morning Canada responded formally to the seventh biennial report of the International Joint Commission on Great Lakes water quality.

Last spring the IJC issued a clarion call for action by Canada and the United States to get serious about cleaning up the Great Lakes.

• (1005)

[*Translation*]

The Government of Canada has taken the IJC's message to heart and we have responded in an unprecedented timeframe—not just with words but with deeds and concrete action.

[*English*]

Since last spring Canada has got its Great Lakes act together. In July we signed and are now implementing the Canada–Ontario Great Lakes agreement, an agreement that had languished for three years. In September we released the proposed toxic substances management policy. Today I wish to announce a new action plan for the management of chlorinated substances in Canada.

These measures are forceful responses to the recommendations of the International Joint Commission. More important, they demonstrate that Canada will do its part to restore and protect water bodies like the Great Lakes. We will work to ensure a healthy and safe environment for all residents and, in response to this issue, in particular for the 45,000 citizens who live around the Great Lakes basin on both sides of the border.

[*Translation*]

The Canada–Ontario agreement is innovative and co–operative. It sets out schedules, targets and mechanisms for co–ordinated action. Canada and Ontario have agreed on a shared vision of sustainable development for the Great Lakes.

[*English*]

I would like to thank those people in the department who worked very hard to bring forward this speedy response. When we asked for a response this fall they said it could not be done. The Department of the Environment did it and I think John Mills and the team from Ontario deserve special credit.

In this new approach we are embracing the ecosystem approach, cleaning up pollution hot spots and implementing binational commitments. We cannot clean up the Great Lakes alone. The agreement is based on the principles of pollution prevention, shared responsibilities, openness and accountability.

Equally important, in responding to the commission's call for building partnerships—and I see a member of the commission in the House today—the Canada–Ontario agreement provides a context for the participation of other partners.

Governments cannot do the job alone. The agreement provides a smart fiscally responsible way to resolve the complex challenges that we face in the Great Lakes.

[*Translation*]

Canada and Ontario are putting in place strategies to eliminate the use, generation or release into the Great Lakes' environ-

ment of 13 problem chemicals. The agreement targets significant reductions for 26 other toxic substances.

[*English*]

We are putting our money and our science where our mouth is. Despite serious financial restraint the federal government is putting millions of dollars over the next six years into the restoration of the Great Lakes. These efforts make a difference.

Collingwood Harbour in Ontario is the first Great Lakes hot spot to be declared clean. We intend with the stakeholders group to keep it that way. Co–operative efforts produce tangible results.

[*Translation*]

Our proposed national toxic substances management policy would commit Canada to the virtual elimination from the environment of those substances that result from human activity, take a long time to break down, build up in living organisms and are toxic. In drafting this policy, the Government of Canada paid attention to the IJC's recommendations.

[*English*]

I want to repeat. In response to the IJC's report we are proposing that Canada reach virtual elimination from the environment of all man made substances resulting from human activity which rest in the environment for a long time, accumulate in living organisms and are toxic.

In elaborating the policy we are in fact adopting the recommendations of the IJC. The emphasis has to be on prevention. There is no point in spending a small fortune to clean up the Great Lakes, the Fraser River and le fleuve Saint–Laurent if we turn around and pollute them all over again.

As part of our approach to toxics I am pleased to advise the House of Commons this morning that Canada is implementing a chlorinated substances action plan that will benefit the Great Lakes region and the rest of the country.

• (1010)

Chlorinated substances will be managed under a five part action plan. That action plan includes targeting actions to focus on critical uses and products. Government action will include eliminating the most harmful chlorinated substances, taking a sectoral approach to managing chlorinated substances and entering into environmental performance agreements with key industrial sectors like the dry cleaning sector and other governments.

We will also improve the scientific understanding of chlorine and its impacts on the environment and human health. Following the IJC report we will develop detailed socioeconomic and health study issues of the use of chlorinated substances and their alternatives. We intend to improve access to all this information for Canadians. We want to promote international efforts for global action on chlorinated substances.

We are adopting the advice of the world's most respected scientists. I personally want to thank Dr. David Shindler for his very constructive contribution in the development of this action plan.

At a special meeting convened by the Society of Environmental Toxicology and Chemistry, scientists agreed to ban all uses of chlorine that are not supported by a critical review of the scientific evidence to protect the environment. They also agreed that actions are needed to restrict or ban a number of toxic persistent and biocumulative chemicals, some of which are chlorinated.

The scientists agreed that there are some positive uses for some aspects of the chlorinated chain, including the use of purification processes in drinking water. At this point we have no alternative to the use of chlorine for safe drinking water. Certainly it is reasonable to expect that Canadians want to feel safe about the water they drink. There is also no reasonable alternative to certain chlorinated compounds in the development of pharmaceutical products, including antihistamines and anti–inflammatory medication.

The plan I am announcing today has to do with ridding Canada of chlorinated compounds that do persist, that are biocumulative and that are toxic. These chlorinated compounds will be gone. We are committed to the virtual elimination in the Great Lakes basin of nine toxic chlorinated substances identified by the IJC. We are also committing to significantly reduce the use, generation and release of five other substances.

[*Translation*]

As part of our immediate efforts, we will be working with two important industry sectors to reduce the release of chlorinated substances: dry cleaning and metal degreasing.

We are all in this together and the smartest route is to work together to find solutions.

[*English*]

We know we can make progress. Since we determined that chlorofluocarbons were destroying the ozone layer we implemented a phaseout program to reduce their production in Canada. So far we have reduced CFC consumption by 77 per cent. The government intends to build on this progress by introducing an accelerated ozone protection program.

We are also working with the provinces and the territories to produce national guidelines for water, sediment and soil quality for more than 40 chlorinated substances. We are undertaking major initiatives to examine the alternative use to chlorine based technology.

The government believes all Canadians wherever they live care deeply about the environment and want to be included in the

future decisions, but Canadians often feel hamstrung by the lack of information. That is why the government will produce later this year a national publicly accessible database with information on the environmental release of 178 substances.

We want the public to have a say in understanding and in developing public policy. We see the national database as a step in the right direction in furnishing Canadians with the information they need to make sound decisions about their own environmental future.

[*Translation*]

Next spring, Canada will co–host, in Vancouver, a United Nations' conference bringing together international experts on the long–range transport of persistent organic pollutants.

• (1015)

[*English*]

We will be hosting in Vancouver next spring an international congress of experts from the United Nations on the transportation of long distance, persistent toxic substances. It is a direct result of our intervention at the United Nations commission on sustainable development. We pointed to a situation in which in the Canadian Arctic right now women face the incredible difficulty of having excessive levels of PCBs in their breast milk. This is not because of industrial development from which they have benefited but rather because of long distance airborne toxins which come from other parts of the world. We need a global response.

When we met yesterday with the Prime Minister of the Ukraine we underlined the importance of developing an international approach to toxic management so the women of the Arctic do not have to face the incredible health hazard of having elevated levels of PCBs in their milk because the world community has not responded with tough regulations and with tough responses of pollution prevention.

We are also entering into negotiations with the United States because we believe an ecosystem approach is the way to go. We are exploring with the United States a pilot project on chlorinated substances in the Great Lakes in which Canada and the U.S. will focus on a dual approach to the elimination of persistent biocumulative toxins.

Canada will continue to work with the United States in addressing other Great Lakes issues. No Canadian program, no matter how comprehensive, no matter how successful, can achieve the goals set by the International Joint Commission. In a meeting I had recently with the members of the International Joint Commission they pointed this out to me.

Let me use Lake Superior as a microcosm. If today all industrial input into Lake Superior on the Canadian and American sides were eliminated, we would still see a poisoning of that lake by up to 20 per cent as a result of international airborne toxins.

Not only do we need a domestic approach, we need a binational ecosystem approach to develop closed loop systems for industrial emissions. We also need a global approach to deal with the problem of international airborne toxins. Canada will continue to work very hard with the United States. I know that my American counterparts are expected to table their IJC response next spring. They are looking forward to working very closely with us in developing a constructive binational approach.

[*Translation*]

We need joint action on the clean–up of boundary waterways such as the Detroit and Niagara rivers as well as Lake Superior. We are eagerly awaiting an American national program.

[*English*]

We are waiting with impatience for a national American program to clean up, to prevent pollution and to deal with the health of this vital ecosystem. As I stated earlier, it is an ecosystem that supplies the drinking water of 45 million people, the heart of the fresh water supply of the world.

I want to thank the International Joint Commission. Through its carefully considered recommendations the commission continues to provide vital advice on Great Lakes environmental issues. The government wants to clean up the Great Lakes. It believes the best way to encourage action from our neighbours to the south and from other countries is to show leadership on environmental issues in Canada.

In the last month we have tried to do that. Working with the very able chair of the Standing Committee on Environment and Sustainable Development we have announced a new environmental industry strategy. We have proclaimed the Canadian Environmental Assessment Act, no mean feat and one for which special tribute is due to my parliamentary secretary, the former minister of the environment for the province of Quebec.

We have also introduced important improvements to that act only yesterday.

[*Translation*]

We have announced new legislation for a commissioner of the environment and sustainable development and we have announced the proposed toxic substances management policy and the chlorinated substances action plan.

• (1020)

[*English*]

Canadians want the government to be a world leader in environmental issues. We are determined to provide a balanced ecosystem approach that recognizes the key is pollution prevention and that responds positively to the very constructive IJC recommendations. The goal for chlorinated substances that are toxic, persistent and that accumulate in living organisms should be virtual elimination. That is the goal we have embraced today.

[*Translation*]

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, the International Joint Commission, a Canada–U.S. bilateral organization created by treaty in 1909, is responsible for monitoring the progress achieved in meeting the objectives of the Great Lakes Water Quality Agreement by the Canadian and U.S. governments, Ontario and eight states bordering the Great Lakes.

Last winter, the commission tabled its seventh report reaffirming the recommendations in the two previous reports and made new recommendations to eliminate pollution in the Great Lakes. The conclusion of the seventh report was inescapable: The Joint Commission rejected the approach traditionally favoured by both countries. It recommended a drastically different strategy. The commission wants a clear action plan aimed at virtually eliminating persistent toxins threatening human health and the future of the Great Lakes' ecosystem.

It favoured a consultation process involving the federal government, Ontario, as well as union and community organizations to allow each player to participate in making decisions on how to achieve cleanup goals. What caught the attention of ordinary people—who do not know as much about the environment as biochemists and scientists with recognized expertise in this field—is probably the effect of toxins on animal and human health.

Reproductive, metabolic, neurological and behavioral abnormalities in humans, fish and birds which are due to water pollution in the Great Lakes are simply inconceivable. Exposure to these toxins increases the risk of breast and other types of cancer. In the long term, scientific evidence shows that PCBs, dioxins and organo–chlorinated compounds disrupt hormonal balance in animals. Studies show the existence of similar effects in humans.

Even more distressing are the long–term effects of these toxins on the body; they are currently hard to identify but may become devastating in the not too distant future. This is caused by toxic waste spills in the Great Lakes.

We must, however, admit that the governments of Ontario and Canada have made significant progress since the first agreement was signed in 1971. Since then, the amount of PCBs found in seagull eggs has gone down by 90 per cent. The iron and steel, and pulp and paper industries have reduced their release of conventional pollutants by 75 per cent since 1972, compared to 90 per cent for the petroleum industry.

The Bloc Quebecois is not denying the efforts of the two governments, but would like to point out that certain problems remain and that the Canada–Ontario agreement signed in July has been criticized on several counts. For example, Jay Palter of Greenpeace expressed his disappointment with the agreement. He felt that it would not protect the health of the public and the environment of the Great Lakes, because it ignored the most toxic chemicals and did absolutely nothing to eliminate the most toxic chlorinated substances in the Great Lakes.

Today, the minister is admittedly proposing an initial step towards the elimination of toxic chlorinated substances, but it is clearly insufficient and does not seem to meet the expectations of the environmental stakeholders. The minister indicates that the plan is designed to eliminate nine toxic chlorinated substances and to reduce the use, generation and release of five other substances, without placing a total ban on the use of chlorine.

• (1025)

The International Joint Commission proposed that the use of chlorine and chlorinated compounds in manufacturing processes should be restricted, gradually eliminated and ultimately banned. Naturally, this approach was dependent on government consultation with industry and the other stakeholders.

The minister is basing her opinion on the results of a special meeting of the Society of Environmental Toxicology and Chemistry, from which she has concluded that it is not necessary to ban the use of chlorine in manufacturing processes. We need hardly remind her that this opinion is not shared by all stakeholders in the Great Lakes' question.

At the biennial meeting of the International Joint Commission, which was held in the fall of 1993, a big controversy developed over the prohibition of that toxic substance.

For example, Greenpeace and Pollution Probe challenged claims made by American organizations such as the Chlorine Chemistry Council, as well as the Canadian Pulp and Paper Association, to the effect that chlorine is not such a toxic substance.

It is essential to conduct research on chlorine and its alternatives in industrial processing techniques to put an end to the ambiguity regarding the virtual elimination of toxic substances which are harmful to our health.

Let us not forget that 40 million people live on the shores of those lakes. We often hear about the damage caused to the Amazon forest, the desertification of African land and numerous other sites threatened by human activity. The Great Lakes are one of those sites, since one quarter of the world's freshwater supply is found there. A long time ago, people may have believed that, because of its size, this body of water would never be seriously affected by pollution, but now we have to recognize that, after years of spillage, these toxic substances have formed sediments and created a very real problem.

The minister says that she is anxiously waiting for the American plan. It seems somewhat strange to us, Bloc Quebecois members, that the Canadian strategy would be released when the American plan is not even known.

If there is an issue over which the two countries should consult with each other it is the follow–up of the recommendations made by the International Joint Commission. The clean–up plans of both partners have an impact on the same body of water; consequently, these efforts must complement each other. As was the case when the signing of the Oslo Protocol on acid rain was announced last May, when measures to be initiated by the Government of Canada to deal with transborder environmental problems are announced by the minister in the House, it is imperative to supplement these with an agreement with the neighbouring country in order to make these clean–up efforts effective.

In this respect, the 1992 report by the sub–committee on acid rain of the Standing Committee on the Environment was quite clear, and I quote: "Thus, while a unilateral Canadian program of controls on acid–rain–generating emissions might carry moral or political suasion, it is recognized that a permanent solution to the problem in North America must include the United States".

The same applies to dealing with pollution by chemical substances in the Great Lakes. The same applies to the clean–up of the St. Lawrence River. Last week, I went with the environment and sustainable development committee to the St. Lawrence Centre, which implements a federal–provincial program, with a budget of around $100 million, to clean up the river.

We know that 40 per cent of the toxics that pollute the river come from the Great Lakes. We therefore feel it is essential to take a comprehensive and consistent approach. Why bother spending all this money on cleaning up the river, if toxic substances can come from unmonitored sources upstream?

If we do not take steps to deal with the whole problem, we are just wasting taxpayers money. We are literally throwing it down the drain.

• (1030)

In concluding, we want to thank the members of the commission for their excellent job in clarifying what remains to be done to eliminate pollution in the Great Lakes. Their determination is a sign that future generations may yet see these magnificent waters in their pristine state.

As the commission's report said, what we do to the Great Lakes, we do to ourselves and to our children.

[*English*]

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, I rise today with a divided opinion on the minister's statement. While I support action that will lead to the clean up of the Great Lakes, I question the manner in which the minister is planning to attain this goal.

During the last few weeks we have seen a flurry of activity coming out of the minister's office. Some of the announcements I have agreed with, such as the submission on environmental assessment regulations and the commissioner for the environment. Others I have disagreed with, such as the $57 million subsidy to the already booming environmental services industry.

Despite the minister's recent activity I still have some concerns regarding this government's approach to the environment. Considerable obstacles remain before Canada can claim, in the words of the minister, to be a world leader on environmental issues.

Most important among them is the question of federal–provincial jurisdiction. Herein lies the Achilles heel of all environmental laws and regulations in Canada, this tug of war, this fight between the federal government and the provincial governments on environment, or who is going to have control.

The minister will recall earlier this year she fought hard to have the NAFTA environmental office placed in Montreal. We have heard nothing further from this commission for environmental co–operation. Why? I would suggest in all probability it is because the commission is ineffective without provincial co–operation. The Canadian Environmental Assessment Act still requires federal–provincial agreements to avoid confusion and duplication with provincial laws.

These are some of the critical issues that must be addressed before we can claim to be a leader in the environmental sector.

This announcement on the Great Lakes is one which I support in principle. However I cannot agree with the minister on its content for it is heavy on studies but light on substance. For example phrases like detailed assessment, improved access to information, seeking global action, and improved scientific understanding are all nice rhetoric and make great headlines but they result in little action.

As my colleague has said, the Great Lakes provide one–fifth of the world's fresh water supply. I will repeat that: one–fifth of the world's fresh water supply is in the Great Lakes. Protection of this resource is clearly of critical importance and there is no one who disputes this.

Numerous agreements and reports have been produced since the first Great Lakes water quality agreement was signed in 1972. Protection of this resource clearly remains critical. Response to this problem to date has been a Canada–Ontario agreement and a proposal to manage chlorinated substances. The Canada–Ontario agreement is a jointly funded $250 million program to clean up the Great Lakes. This is a good first step, but we must take our southern neighbour into consideration when dealing with the Great Lakes.

Environment Canada released a report last year estimating that dump sites along the U.S. side of the St. Lawrence River were responsible for about 60 per cent of the most hazardous substances polluting Lake Ontario. With facts like these obviously a Canada–U.S. agreement is critical, but there is no joint agreement with the U.S. to date. The minister says she is working with the U.S. toward an agreement, however I would like to see some concrete actions toward this goal.

This plan does not hold much water—no pun intended—without an American agreement. We are sharing the same water trough. Our actions are being undermined by the fact that we do not have a joint agreement to ensure U.S. participation and compliance.

● (1035)

The minister was correct when she stated that progress can only be made in co–operation with other governments and federal spending will be useful only if it levers participation by other parties. Without American and provincial co–operation these plans are futile.

The minister talks about discussions, but when will the minister get beyond talk and take some concrete action? We need an agreement, not just rhetoric.

The seventh biennial report which the minister refers to suggested that the degradation of the Great Lakes has potentially catastrophic implications for human health. The IJC report noted, as the minister has pointed out, that chlorinated substances are an integral part of the problem and link chlorines with low sperm counts in men and increased breast cancer in women. Although the IJC report suggested a ban on all chlorinated substances, these conclusions lack scientific backing. It is impractical to ban all chlorinated substances, however we do need to manage them more effectively.

To reduce the release of chlorinated substances the minister talks about working with two industry sectors. She mentions the dry cleaning and metal degreasing industries. What about Canada's number one industry, forestry? Pulp and paper mills are major users of chlorine in the bleaching process. The minister fails to mention this industry in her speech and I question why. I suspect it has a lot to do with the older mills and the precarious balance they have between the economy and the environment. However it is a major sector in Canadian industry and I believe it needs to be addressed here.

In conclusion, I am encouraged that the minister is taking action on the Great Lakes. However it is not enough just to say that Canadians want to be a world leader on environmental issues, we must take the necessary steps to attain this goal. We need an agreement with the Americans and all of the provinces to reduce chlorinated toxins. We must work closely with all the industries involved.

[*Translation*]

## INTERPARLIAMENTARY DELEGATIONS

**Mr. Philippe Paré (Louis–Hébert, BQ):** Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, the report of the Canadian delegates to the Interparliamentary Union. This report was prepared by the official delegation which represented Canada at the 92nd Inter–Parliament Conference held in Copenhagen on September 12 to 17, 1994.

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[*English*]

## COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 42nd report of the Standing Committee on Procedure and House Affairs regarding the membership of committees.

[*Translation*]

With the consent of the House, I intend to propose later on today that the 42nd report be concurred in.

* * *

[*English*]

## WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION ACT

**Hon. Roy MacLaren (Minister for International Trade, Lib.)** moved for leave to introduce Bill C–57, an act to implement the agreement establishing the World Trade Organization.

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

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## COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I think there would be consent to dispense with reading of the 42nd report of the Standing Committee on Procedure and House Affairs concerning membership of committees.

If so, and if the House gives its consent, I move that the 42nd report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

## PETITIONS

ETHANOL

**Mr. Rex Crawford (Kent, Lib.):** Mr. Speaker, I present this petition on behalf of my constituents. They urge the government to support a domestic ethanol industry, especially since a world scale ethanol plant in Chatham hangs in the balance waiting for a federal commitment.

This plant would be the eighth largest in North America. The petitioners note that our federal government has no long term ethanol policy, unlike the provinces of Ontario, Manitoba, Saskatchewan, Alberta, the U.S. government of Bill Clinton, Brazil, Australia, and many others. The people of Canada are waiting for action.

* * *

• (1040)

## QUESTIONS ON THE ORDER PAPER

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I ask that all questions be allowed to stand.

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

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## SUPPLY

ALLOTTED DAY—THE BUDGET

**Mr. John Williams (St. Albert, Ref.)** moved:

That this House requests the government to table a clear detailed plan to show how and when it intends to balance the budget including a clear statement of its vision of the role of the government in the economy in order for the people of Canada to debate the plan and vision.

He said: Mr. Speaker, it is a privilege and a pleasure for me to talk on this motion on this auspicious day. Today is October 25, 1994. It happens to be the first anniversary of the general election last year at which time the Reform Party laid before the people of Canada a real plan of how to deal with the debt and the deficit.



We presented to the Canadian people a plan that we called zero in three, a plan to balance the budget in three years. We laid out specifically where we would cut the money. We had a balanced plan between growth in the economy and cuts in government spending. In that way the Canadian people would know that within three years we would have a balanced budget.

We spelled it out in detail that we would cut 25 per cent of subsidies to crown corporations. We would reform unemployment insurance to make it a real insurance plan based on the debate and discussion between management and labour. We talked about abandoning and eliminating subsidies to special interest groups, and so on. We laid out a complete and detailed plan on how we would achieve that.

On this day last year 2.5 million Canadians voted for that plan and elected 52 Reformers to this House. It was one of the great electoral upsets in the history of Canada. We had only one MP before and now we are represented here by 52 MPs.

During that same election, the Liberals ran around waving their red book. The Prime Minister said that he had a book and he had a plan. The nature of our motion today is to ask where that plan is. We have not seen it yet. On this the first anniversary the Liberals have been in power for one full year and we are still waiting for them to take action on that infamous red book "Creating Opportunity, the Liberal plan for Canada". We have not seen what they intend to do with it.

The Liberals talked about reviving the economy, reducing the deficit, creating high tech jobs. One of the first things they did was cancel the helicopter program that was going to cost about $5 billion and would have generated all kinds of research and development and high technology. What did they do with the money? They started digging up ditches, digging sewers and so on. That will not add to the future viability of this country. That type of plan will get them nowhere in the long term.

We were expecting big things when they waved that book all through the election campaign. We thought it was going to be an exciting 100 days, even though we were sitting in opposition, but what happened? It took the government almost 100 days to get Parliament back sitting. That type of lethargy is what has happened. That is the story of this Liberal government in this past year.

The Liberals have fallen flat. They have not delivered on their promises. They have accomplished very little, if indeed they have accomplished anything apart from their discussion papers of course.

• (1045 )

A few weeks ago the Minister of Human Resources Development laid before us a document that said we have a problem. Did he have any solutions? No, he had nothing. He promised to deliver that paper in June and he did not. He took until October before he laid that plan before us and all he could was say was that there is a problem.

We are looking for real direction from this government. We have not seen it so far. In his plan of a review of social programs he excluded $20 billion of old age security payments. That says this is not even going to form part of the discussion. Transfers to the provinces for help, let us not even talk about that. It is not part of our social security review. Yet the whole idea is surely to review the program to find out if any money can be saved.

The ministers of the government have to get their act together. We are asking and pleading with them to lay before Canadians a plan of action that shows us how they intend to balance this budget.

He talked about a health care program. The Prime Minister took great pains to explain and be proud of the fact that he was going to call a premier's conference on health care in June. It did not happen in June and it did not happen in July. By the time October came around he finally got a few people to show up. Not one representative from the provinces showed up on his much vaunted forum on health care. Again it has fallen flat.

The red book said the Liberals were going to reform the GST. The finance committee met ad nauseam from January to June. It produced a document but we still have not seen anything. They have no plan. They promised to get rid of the GST and they have not produced a thing.

**Mr. Mills (Broadview—Greenwood, Lib.):** Stand by. A simple tax is coming.

**Mr. Williams:** Small business people are struggling to handle all the complex accounting. Yet one year later, no plan, no proposal. The finance minister floated out the idea of a national 12 per cent sales tax. I can assure the Minister of Finance that a flat 12 per cent national sales tax will not fly in my home province of Alberta.

Canadians were promised good government and that Ottawa would hold the separatists at bay through their good government. We have 53 of them sitting here and through their lack of leadership we now have a bunch sitting in Quebec City which is bent on taking Quebec out of this federation. It is a national tragedy that through their lack of leadership and lack of direction they have allowed that to happen. If they had kept the separatists out of the provincial government in Quebec this country would be a lot better off today. We found out through question period in the last few weeks that they were caught flat footed and did not even get the documents and agreements all signed properly. Therefore the separatists were able to make political hay out of their lack of ensuring that paper work was done and getting an agreement signed on Collège Lac–St–Jean.

They promised that parliamentary democracy would be revived and we would have open government. Yet we find that the whip is applied as soon as one person wants to step out of line. Oh, no, that is not allowed. So much for their great statements on revived and open government.

They did promise us that there would be action on the deficit and the debt. By the admission of the Minister of Finance when he brought down his first budget, within three years he will add $100 billion more to our debt. He has not even told us or given us any idea when he will even attempt to get to a balanced budget.

**Mr. Penson:** He does not know how.

**An hon. member:** There will be a royal commission.

**Mr. Williams:** My friends are also upset. We want to know what the government is saying. What is the plan? There is no plan. They have been around for a year and we want to know what they intend to do. Canadians want to know. That is that they were elected to do, yet they have not been able to produce.

The Minister of Finance talks about the deficit being reduced to 3 per cent of the GNP within three years. It is the wrong target because the debt will continue to grow. He has not given us any idea how he is going to go beyond that.

• (1050)

To bring it down to $25 billion in three years is minuscule, timid and lacks any guts whatsoever to get the job done. Now we find by the Minister of Finance's own admission last week that even his own small and timid target of reducing the deficit to $25 billion is going to be out of his reach unless he makes more serious cuts. He has not given us a plan.

We need to know what the government intends to do. Canadians have their right surely because those members were elected on a red book that set action and we have had one year of inaction.

The Minister of Finance tells us about the $6 billion to $9 billion of additional cuts that are necessary to meet this target. Yet nothing in the two documents that he tabled last week before the finance committee, "A New Framework for Economic Policy" and "Creating a Healthy Fiscal Climate", in any way shape or form gives us any idea how the minister is going to tackle this job of cutting.

He could have gone back to the plan that we laid out last year, our zero in three plan. We laid it all out there. It was quite simple. The advice was there for free and yet even that seems to be beyond his comprehension.

He did say last week that what we seek are jobs and growth. To get there we must stop the debt. Our ultimate goal is a balanced budget. He has said it. We want him to deliver. We want to know how he is going to deliver and we want to know when he is going to deliver on the commitment that he made before the finance committee last week.

The minister also said that the entire role of government in the economy must be rethought. I hope he has some kind of vision when he makes these kinds of statements, some plan or idea of

the role of government in this country and how it is going to interact with private industry to ensure that we get back together on our fiscal senses. Nothing has been produced.

The government has lost a clear sense of economic leadership in a vision of what the role must be in a modern economy and where it should leave the action to others.

Here is another quote out of the same publication. We see that the Minister of Finance really does not know. He is asking Canadians what they want. This is what I call leadership from behind. He says: "We have a problem. Everybody talk about it, please. If I can find that there is some consensus in the nation then I will go in that direction". That is not leadership.

That is leadership from behind. That accomplishes nothing. We are looking for resolute action now to resolve the deficit for the benefit of future generations. Six hundred billion or $650 billion in debt at an interest rate averaging 6, 7 and 8 per cent is completely and absolutely unsustainable by this country. The Minister of Finance seems quite willing to allow that to happen.

Canadians deserve to know what cuts are to be made, when they are to be made, how and when this government plans to balance the budget. The Canadian people deserve to know the vision of the Minister of Finance and the role that the government has for this economy.

I ask the Minister of Finance now to ensure that he eliminates all the waste in government, that he can reform the MPs pension plan. He can start here in this House. He does not have to go out in the street and talk to Canadians and say: "What do you want?". We in the Reform say and I know that all Canadians agree that it is time that we reform the MPs pension plan.

I looked at the public accounts. They were tabled in the House last week. The government threw in another $10 million just to bring up the level of money in the plan to cover the excess payments that are now going out because 200–odd MPs at last election are now out on the street. They are not out on the street but they are on their own. They are out on the street with a huge pension plan paid by the Canadian taxpayers. They are upset and they would like to see some reforms.

If the Minister of Finance needs any ideas we say he can start right here in this House.

**An hon. member:** Is he listening?

• (1055)

**Mr. Williams:** I doubt it. What about unemployment insurance? We said last year that business and labour should sit down together and revamp the UI program in order for it to be a self–sustaining program. We hear some musings by the minister along those lines on this the anniversary of the election. It has been one whole year and he is just starting to get to the point where we were a year ago.

He could target social spending to those in need. Yesterday afternoon at the University of Alberta I was talking to people who are faced with substantial increasing costs in their education. As they are being asked to pay for more and more of their education, there are retired people who are sitting on the beaches in Hawaii or who are sitting in the sun in southern United States and Mexico collecting old age security on top of the whole wealth they have accumulated during their life.

I said during the election that we will cut off old age security to senior families which earn more than $54,000. All I got from the seniors was: "Why so high at $54,000? Bring it down. It is far too much".

They had never seen that kind of money before. Yet this government continues to pay almost $5,000 a year per retired individual regardless of their income. They may be millionaires. When we have fiscal problems why should we be spending that kind of money on people who do not need it?

Consider special interest groups which get half a billion dollars. Just cut them off. It is that simple. It does not take a lot of guts. Just do it. The Minister of Finance should start right away.

How about improved financial accountability in government? Treasury Board has a policy in place called program evaluation where programs are evaluated basically on four points. One, is it relevant? Are we still spending money by virtue of habit? Two, is it effective and meeting its objectives? Three, are we delivering the program efficiently and, four, is there another better way to deliver the program?

Program evaluation is a policy that is currently being used a small amount by the Treasury Board, but could be used much more in order for Canadians to find out how the programs are working and how they can be revamped and regeared to ensure we are getting maximum bang for our buck, that those in need are receiving the assistance and we are spending Canadian taxpayers dollars efficiently, well and wisely.

These are just some of the things we and the Minister of Finance could do, but unfortunately he is going to wait another six months until he tables his budget in February before we know what his next nickel of cuts is going to be. Even by his own admission he is already missing his target.

Let us take a look at some of the figures we have so far. The 1994–95 spending estimates show old age security costing $20.6 billion. Next year it will increase to $21.4 billion. Transfers to provinces were $26.3 billion last year, increasing to $26.4 billion. Grants to natives of $3.8 billion last year are up to $4.1 billion. Grants to international assistance remain the same at $2.6 billion. Other subsidies and transfers at $4.5 billion are going up to $4.9 billion.

There is not a single cut. We wonder why this country is in a mess. We wonder when this government will take serious, real, concerted action. That is what Canadians want. It is long

overdue. We call upon the Minister of Finance to table his plan and his vision now.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I looked forward to this opposition motion today because it gives the Government of Canada a chance to put on the record in a factual way not only the vision this government has in terms of putting people back to work and getting this economy going, but some of the specific initiatives that have been passed in the last eight months since we have taken power. It is important that we focus on the deficit and debt of this balance sheet for Canada and we are doing that. The *Financial Post*, which no one would ever claim to be a paper sympathetic to the Liberal Party, in the Saturday edition had a masthead saying we are heading in the right direction. The Reform Party should take note of that.

• (1100)

I want to be very specific. We need growth in the economy. As a government we have said pre the red book, during the red book, in the last eight months that small business represents the greatest hope of putting Canadians back to work.

I am not going to use this report from the industry committee called "Taking Care of Small Business" as a display, but I do want to say that the Reform Party, which worked on and supported the report, has to acknowledge that already the banks are acting on some of the recommendations we have put in the report.

At the same time I do not know how the member who was the lead speaker for the Reform Party could stand in his place and not acknowledge that our exports have been up four months in a row, our manufacturing sector is on the rebound. All the statistics and all the numbers show that. Our tourism deficit is coming down.

By the way, I am not standing here claiming victory. That is not the point. The point is that we have created an environment not only with specific actions but a psychological environment which is important in any economic equation. We cannot go around here cut, cut, cut without using our creative ability to cause growth specifically in the small business sector.

I hope the remaining speeches put forward by the opposition parties today will be a little more balanced. Confidence in the economy is an important factor in the equation. Reformers have to acknowledge, if they are going to be looking at all of the facts, that there are many good signals in the economy today. I believe that the government has assisted in creating those positive facts.

I would like the member of the opposition to stand in his place and acknowledge that manufacturing is up. Exports are up. The tourism deficit is coming down. House starts have been up the last four months in a row. It is a fact that 300,000 new jobs have been created in the last nine months. If he would just acknowledge those things, we could begin having a truly constructive debate here today.

**Mr. Williams:** Mr. Speaker, the selective statements by the parliamentary secretary certainly seem to bolster his case. He talks about the masthead in the *Financial Post* at the weekend supporting his vision. It was from that particular article that I thought about leadership from behind.

The article talked about the fact that there is a consensus among Canadians that the Minister of Human Resources Development should move ahead and reform UI even though he has not laid a plan before us as part of his social services review. The survey said go and go now because the people want something done.

As for the psychological advantage, businesses want cuts, cuts, cuts. As I said in my opening remarks we could start by cutting the MPs pension plan. We would get applause from Canadians just by doing it right now. That is the type of demonstration which would send a strong signal to all people in Canada, not just small business people, that the members of Parliament are serious about reining in the deficit. If we are talking about austerity let us start right here. It is a wonderful opportunity that the government is missing.

• (1105)

He talks about vision. We have not seen any vision from the Liberal Party. We are asking for a plan. We hope the Liberals can deliver one very soon. I know that Canadians are getting fed up. They will run out of patience and find somebody else to do the job if the Liberals cannot.

**Mr. Mills (Broadview—Greenwood, Lib.):** Mr. Speaker, let the record show that the Reform Party did not acknowledge any of the facts I put on the record in my previous comments.

I would like to show that we are prepared to debate the tough issues openly. As the Minister of Human Resources Development said quite clearly on many occasions, his document is not a fait accompli. It is a discussion paper. It is a debating tool. It is an instrument to get people involved as we restructure the government's social service programs.

Quite frankly that is the way to go. I know Reform Party members really think that is the way to go. They are known for their 1–800 numbers and their fax machines where they get their questions for question period. The point I am trying to make is that Reformers should go back to the way they started where they were going to be a bit more constructive about debate.

I want to acknowledge one area. It is an area in which I have a personal interest and it is the whole issue of tax reform. I was absolutely amazed at the opening speech today. The Reform Party campaigned vigorously on a single tax system to reform the tax system. All of us believe that the tax system of Canada needs reform. I would like it to show on the record that the opening speaker today never once talked about the single tax system or as they call it, the flat tax system.

In the whole year Reformers have been in the House of Commons they have done very little to honour the campaign pledge which they made that they were going to work diligently to reform the tax act of Canada. I hope the member today is not symbolic of the whole spirit of the Reform Party, that it has deserted its campaign on comprehensive tax reform.

**Mr. Williams:** Mr. Speaker, I am glad to confirm for the hon. parliamentary secretary that no, we have not abandoned or given up in any way, shape or form our desire to reform income tax.

We would not stop there of course. We want to reform many more programs, far beyond just the income tax system. We include elimination of subsidies to special interest groups, reform of the pension plan for members of Parliament, downsizing government, downsizing subsidies to crown corporations, bringing in competition to ensure that we have effective and efficient government. Why stop at just reforming the tax system? The whole system needs reforming from top to bottom.

The hon. member talked about the Minister of Human Resources Development's plan as being not a fait accompli. My goodness, he did not even get started, beyond saying there is a problem. We have said in our motion today that we are looking for a vision.

**Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.):** Mr. Speaker, it is very rare that as Parliamentary Secretary to the Minister of Finance I actually want to jump to my feet to participate in a debate. After listening to the first half hour of debate, we have to bring a little intelligence and hard work to this debate, with the exception of the Parliamentary Secretary to the Minister of Industry whose interventions were both intelligent and thoughtful.

There is an obligation in the House of Commons when we have these debates that the opposition brings to bear a different perspective than that of the government and does it through research, through common sense and through bringing to the attention of the House the concerns of their constituents.

• (1110)

I happen to know the city of St. Albert and I know how intelligent its voters are. The member who preceded this member is a very intelligent person from the Conservative Party and a very wise man. I am sure the people of St. Albert would want their member to bring to the House some facts and figures to support their case and not just sitting here and talking.

My hon. colleague behind me from Peterborough can tell the House, as he too, like myself, taught at a university. From our history departments, we all know that if we do not learn history we repeat the same mistakes of an earlier generation. In fact, the opposition is repeating so many mistakes that the former Prime Minister from Alberta was quoted in the papers this morning as saying that he thinks it will be quite easy for the Conservative Party to come back. When a party of one person or two people think they can overtake the new opposition it just shows everyone how weak they think it is let alone how we think it is.

Does the parliamentary secretary realize that this is the first opposition day offered up by the Reform Party since we have come back this year?

**Mr. Williams:** It is the first one you gave us.

**Mr. Walker:** What topic do they choose? They choose the financial structure and budgeting process of the country.

**Mr. Penson:** That is what Canadians choose.

**Mr. Walker:** What is the great strength of this government?

**Mr. McClelland:** You tell us.

**Mr. Walker:** It is the financial structure, the reorganization of the government, the production of an excellent first budget and, for the first time in the history of any government, the production of a prebudget process with documents from the Minister of Finance to show Canadians exactly what we have to do to get ourselves reorganized.

On our anniversary date they give us our strong hand to talk about it. Thank you very much, team. This is exactly what we need.

Let me just talk about some of the things that we have done for the last year. In this very instructive book called "The First Eight Months of the Liberal Government—Promises Made, Promises Kept", 43 areas are mentioned in which we said before the election we would proceed. These areas range from fairer taxes, federal–provincial fiscal arrangements, GATT, the goods and services tax, job creation, North American free trade, prebudget consultation, reducing the deficit, removing interprovincial trade barriers, child support payments, literacy initiatives, social security reform, unemployment insurance, youth employment and learning strategy, the Atlantic groundfish strategy, building Canada's infrastructure, Canadian space program, protecting fish stocks, the reintroduction of the residential rehabilitation assistance program, the science and technology review, supporting small and medium sized businesses, the commissioner of the environment and sustainable development, international leadership, protecting Canada's

wildlife, the end of tobacco smuggling, the enhancement of Canadian cultural identity—

**Mr. McClelland:** It's like talking to a divorce lawyer. You have done nothing.

**Mr. Walker:** Mr. Speaker, in this document are the most amazing facts about how the government has worked hard in the first year.

**Some hon. members:** Oh, oh.

**Mr. Walker:** In category after category we have set out a plan of action which opposition parties, not only in Canada but anywhere in a democratic society, would ask how these guys accomplished so much so quickly. I would say that it is through the hard work of the Prime Minister. He has set the standard for the rest of the caucus and we have proceeded to work on our plans.

The motion today asks us to move toward a balanced budget immediately. I would say to the Reform Party that everyone in the House, I think, and judging from what happened in the finance committee, is absolutely committed to making sure that we get our House in order. There should be no doubt about it. The Bloc has said the same. The Reform Party has said the same. Therefore, the question becomes one of how do we do it. What is the best topic? What is the best strategy? That is where I return to the organized strategy of the government.

We set out in our first budget certain objectives of how to manage the deficit. We are right on course. The Minister of Finance has said on several occasions that we will meet our target each and every year. The critical issue facing Canadians after the last 10 years of government has been the complete lack of credibility in the financing of the country. We have proceeded to deal with the issue of credibility.

I am very proud to be working with the Minister of Finance who has in every statement systematically re–established a credible framework for the governing of the country and putting our financial House in order. The strategy was reaffirmed last week in our economic and fiscal update. This important paper set the parameters for a public budget consultation that is both unprecedented and fundamental to fostering economic growth and jobs.

• (1115)

Let me remind the opposition that when the Minister of Finance spoke to the House committee on finance he zeroed in on our fiscal challenge. He said:

> Facing up to the debt challenge is the keystone of responsible economic policy. If we fail at that, we fail at everything else. It is not a question of focusing on jobs or the debt. It is a question of focusing on both.

From time to time we hear the opposition party taunting. We have asked the opposition parties on several occasions to give us some ideas, to help us out with this very difficult process. There are going to be tremendous tradeoffs. There are going to be a lot of people hurt in the process. The purpose of government is not to hurt Canadians. It is not the fault of the poor that we are bankrupt. It is not the fault of the elderly that we are bankrupt. It is the fault of government after government which has refused to deal with the fiscal crisis.

It is a question of fair taxes. We set out that we would deal with fairer taxes. We started out by dealing with the $100,000 capital gains exemption. The corporate income tax deduction and the GST tax credit for meal and entertainment expenses were reduced from 80 per cent to 50 per cent. Large private corporations with capital over $15 million are no longer eligible for the small business deduction.

New measures will prevent Canadian based companies from using foreign affiliates to avoid paying Canadian taxes. We will ensure that the income from securities held by financial institutions is measured appropriately for tax purposes. Corporate tax rules relating to tax shelters, research and development incentives, debt forgiveness and asset sales are tightened.

The first $25,000 of life insurance benefits provided by employers will no longer be tax exempt. The threshold for the 29 per cent tax credit on charitable donations is lowered from $250 to $200. The age tax credit for hiring seniors will be progressively reduced over the next two years. The taxation of family trust, a very difficult issue in which I know the Bloc has a particular interest, has been reviewed by the House of Commons finance committee. We know there will be positive recommendations for change coming out of that.

The difference is that we have our facts and we have organized a program to achieve success. We are not just rambling on. We are not just using up the time of the House of Commons for polemics and rhetoric. There is a real job to be done.

At the time of the first anniversary of the last government—and the Parliamentary Secretary to the Minister of Industry was there—there was no reason to celebrate. It had not kept its promises from 1984, let alone the promises from 1988. It was met with dull silences. Its members wore little flowers to promote the Prime Minister, but what did that mean in terms of substance? It meant absolutely nothing.

There can be no doubt about our commitment to meeting the 3 per cent deficit target we have set out for 1996–97. There should be no question that this is a vital first step forward toward an ultimate goal: a balanced budget.

I am sure the House needs no reminder of the price Canadians are paying for decades of surging deficits and debt. It is measured in higher taxes, high interest rates, too few new jobs and too little growth. We have started out on the deficit reduction track to bring the deficit down to 3 per cent of GDP in three years. Canadians should understand why that 3 per cent target is so important. In the words of the Minister of Finance, we will reach that target come hell or high water.

Reaching that level will mark a turning point in the battle against the debt. It will mean that the economy will be growing faster than the debt. In other words the debt will finally begin to shrink in relation to Canada's economy. This will be happening only for the second time in more than two decades.

We can look at the issue in another way. The federal deficit currently near 6 per cent of GDP has not been as low as 3 per cent since 1974–75. There is another point that is just as important to emphasize. It underscores why it is better to move ahead by concrete steps than to issue wishful, long term plans for deficit elimination. Setting firm deficit targets for the near future represents a major change from the past.

Because Canadians have become cynics about federal deficits, because they have suffered too many years or rosy long term promises, we have set out realistic targets and will take the actions needed to deliver bottom line results. Our success will strengthen credibility for our long term objective: eliminating the deficit completely.

• (1120)

This strategy is based on fundamental, political and public reality. We believe it is best to set out short term targets, concrete milestones and hit them. With short term targets there is no excuse for delay and no acceptable grounds for not taking tough action to address the problem. When unrealistic long term goals are set, we can always find a reason to avoid tough action today, tomorrow and the tomorrow after. That was the Tory record and it is a legacy we refuse to accept.

I want to highlight another aspect of the political and public reality of deficit fighting. The previous government believed in imposed solutions that did not draw upon real national discussion and consensus. Now it is Reform that looks for instant slash and mash solutions.

Our government is a national government committed to democratic principles of openness, access and consultation. It is those principles at work that govern our approach to winning the deficit battle. The Minister of Finance made that point clear when he addressed the House of Commons finance committee. I quote the minister:

> During our first round of prebudget consultations, Canadians told us they wanted clear targets to which they could hold the government accountable. We have provided those milestones.
>
> Canadians can now judge if we keep our word. That is why our target is not cast ahead into the fog of some far off future. It is only two years away.
>
> That is why we have set year by year milestones on the way to that target—so that we can be held to account. That is why we have used very prudent assumptions in determining how our targets can be met. And that is how we will restore confidence in the financial credibility of the Government of Canada.

These are not just words. It is a formal pledge. That is why we took several concrete actions in the last budget and that is why we have achieved our targets.

Several issues are still confronting the government. For example interest rates, triggered by the U.S. federal reserve fight against inflation and compounded by worries about Canada's fiscal burden and the Quebec situation, are much higher than anyone expected. Because of the size of our debt even small changes in interest rates have mammoth effects on our carrying costs.

The fiscal update sets out the dimension of the challenge we face under different and increasingly prudent interest rate assumptions. Based on the current outlook and the average of private sector forecasts we would still need an additional deficit action of $2.3 billion in 1995–96 and $5 billion the year after.

If we assume interest rates that are half a percentage point above the average private sector forecast without any new budget action, we risk falling short by $3.1 billion of our target next year and by $6.3 billion in 1996–97. The numbers are even worse if we assume interest rates a full percentage point above the average forecast and growth that is half a percentage point lower. Then the deficit could be $5 billion above our target next year and $9 billion off the target in 1996–97. The combination of high interest rates and a large debt poses a major challenge.

In the discussion in the finance committee last week the Minister of Finance indicated several principles. First, the deficit reduction must be part of a strategy to create jobs from growth. Second, the actions must be fair, making sure that the most vulnerable are not left behind. Third, deficit reduction measures must be selective and strategic reflecting clear priorities. Fourth, we must be frugal with taxpayers' dollars and, finally, budget action should weigh on the side of cuts and spending rather than increases in revenue.

As we seek these reductions we should keep another thing in mind, another lesson from the past. Under the previous government the problem was not the 10 or 15 per cent that was lopped off in each year's last minute frenzy. Rather the problem was that no one paid attention to doing better with the remaining funds. We will not make that mistake. Canadians do not expect smaller government. They demand smarter government. That is why the Minister of Finance went to the finance committee last week.

I want to take a minute to explain the significance of this action. Under Standing Order 83(1), accepted by all members of the House last spring, the government committed itself to the first prebudget review in the history of any western democracy, particularly in the parliamentary system. It has not been done in Britain. It has not been done in Germany. The American model

is much different. It has been tried in selective ways in the provinces of Ontario and Saskatchewan.

• (1125)

We want to have Canadians involved to understand how difficult some of the choices in front of us might be. There is the law of unintended consequences that we learn when studying history wherein we do one thing and have a number of side effects that we did not want. We want Canadians to get into active discussion with us about what those tradeoffs might be.

We have presented a two part plan for creating jobs, for the reorganization of the government and for the establishment of new priorities. When the Minister of Finance was before the committee he raised three questions he wanted the committee to look at. First, are the economic assumptions for growth and interest rates appropriate? Second, what should be the balance between cuts in spending and measures to raise revenues? Third, what specific actions should be recommended? We want to move away from the scenario of not in my backyard.

I am sure members of the House hear the reactions, for example to the social security review. People are saying that we should not touch a particular program, not even discuss it. When we move into financing the country we cannot have little cubbyholes or little special tax situations that we cannot talk about. We want everything on the table.

We want opposition members to participate in the round table discussions we are to have across Canada. We want to hear their suggestions. When we report back to the House in December we want all members of the House of Commons to have an opportunity to make their own contributions. In late December and in January when the serious work on the budget begins to take a shape the Minister of Finance can look at the report of the House of Commons finance committee, thank Canadians for their support and thank the House of Commons committee for organizing their comments in a constructive fashion.

It is not an easy process. I thank members of the Reform Party for bringing these issues to the attention of the House. I wish they would be able to contribute a little more positively. Perhaps other speakers during the afternoon will go back to their research bureau and say that the parliamentary secretary for finance was correct. We do need some more ideas. Let us sit down, maybe for the first time. I do not know how that party works but let us sit down, take a look at the problems facing the country, and use the time of the House of Commons effectively.

One of the great frustrations of Canadians watching the parliamentary channel is how many people are really contributing ideas. In our platform for the last year, the 43 areas in which we have taken initiative and the nine tax changes I think we provided a very specific idea. I see the lead critic for the Bloc Quebecois is beginning to warm up for his contribution. We will listen for his specific ideas.

We have in front of us an opportunity to debate and to present ideas on reduction. I know the Bloc has changed its views in the last couple of weeks and is now on the bandwagon. It is nice to have Bloc members aboard. We will look for specific suggestions. When it came to certain budget measures in the last budget—and it was difficult—Bloc members were on their feet in the House complaining about this cutback and that cutback. It would be good to have them understanding that in the overall framework everyone has to pay a price and everybody has to contribute in re–establishing the physical health of the country.

In conclusion I thank the House for the opportunity to participate today and for the opportunity to put forward some of the areas in which we have made major accomplishments. I look forward to the contributions of my colleagues on this side and my colleagues on the other side. Through questions and answers and good debate we will have a better idea of how to put the country back together.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I listened with great interest to the dissertation of the hon. Parliamentary Secretary to the Minister of Finance. He is a very influential person within the finance committee. He sits at the right hand of the Minister of Finance. Would this not then set fear into the hearts of the innocent when they wonder where is the plan?

• (1130)

It is not like these people came here yesterday. They were in opposition for nine years. They were the architects of the disaster we are living in today trying to get elected 35 years ago. They have had one year of power and what have they accomplished? Absolutely nothing.

The Parliamentary Secretary to the Minister of Finance stands there and says: "Well, what are your ideas? You are trying to smoke us out". They are going to get our ideas in black and white but they are going to get them after they finally put theirs on paper, finally.

What we have here are the Liberals in a new olympic Liberal sport: low hurdles. You set the hurdle low enough and you can crawl over it, which is about what they are doing. They are not going to wear themselves out jumping over high hurdles; they are going to wear themselves out tripping over low hurdles.

I ask the parliamentary secretary who has given us a litany of the 47 things they have consulted on so far to tell me one specific thing they have accomplished. Not the 47 they have talked about, just one they have accomplished.

**Mr. Walker:** Mr. Speaker, the willingness of the Reform Party to give me an opportunity to expand on our good activities for the last year is exceptional. I appreciate the goodwill with which these questions are lobbed toward me.

Where do you start? You start with what we—

**Mr. McClelland:** Where do you start?

**Mr. Walker:** I appreciate the inexperience of the Reform Party members in the House but it is still no excuse for not having any ideas on the table. They are adults and they should be able to participate.

Let us just talk about the infrastructure program. Let us talk about the way Canadians finally had a government that said: "You people need to get back to work. What we are going to do is we are going to start this project". In a classic Liberal fashion which I am very proud of we started out with a number of projects across this country—and you are smiling—

**Mr. McClelland:** Spending other people's money.

**Mr. Walker:** Do you know what they do not talk about in the House? Have they ever asked a question about Alberta projects in question period? They just say silent. Why? Because they understand that for Albertans the only piece of good news from any government is what this government is doing on infrastructure. It has not come from the provincial government. It has not come from this opposition party. The only good news has come from the minister of energy and her colleagues who work very hard for the province of Alberta. The best evidence of that is in infrastructure.

I know that in Winnipeg—

**Mr. McClelland:** Liberal road kill.

**Mr. Walker:** Liberal road kill.

**The Acting Speaker (Mr. Kilger):** Order. In this—I do not know if I dare call it—I will just say it is the first anniversary and leave it at that.

Clearly, we want to continue what we have established over this first year as parliamentarians from both sides of the House and that is a respectful way of conducting debate, vigorously and sometimes more animated than others. Ultimately however we do want to retain decorum and respect for one another and for this great institution.

**Mr. Walker:** Mr. Speaker, I share your respect for this institution. I apologize to you and to members of the House if my animation toward the good infrastructure program seemed to be—

**An hon. member:** You could not help it.

**Mr. Walker:** It is hard not to get excited by this program.

I come from Winnipeg and quite frankly mine is one of the poorer constituencies in the country. Last summer is the first time since I was elected to this House that anybody has come up and thanked me that they had an opportunity to work.

Some people are snobbish about building roads, but there are a lot of people in this country who work building roads and they need those jobs. There are a lot of people who drive cars and buses over those roads. There is nothing to be ashamed of for creating a better infrastructure.

The Parliamentary Secretary to the Minister of Industry stays on top of all these issues. He points out that in Winnipeg we are going to be rebuilding the road system which allows trucks to exit from the airport more quickly to the south. Part of our overall plan to rebuild the Manitoba economy is around the airport and transportation. We used to be the gateway to the west but that economy has changed. We are now going to be the gateway to the south.

You cannot walk away from the project. It requires capital. It requires investment. The minister for human resources, who is responsible for western Canada and Manitoba, came forward to the provincial and municipal governments. Their response was: "Thank you for putting this together. Thank you for giving us the opportunity. We will throw in some money. We think it is important. Yes, we know it is borrowing money and we know this is expensive, but sooner or later people want to see their governments do something for them".

• (1135)

When I passed by people working this summer one came up to me and said: "Mr. Walker, I have been in Canada for 15 years. I am a little embarrassed. I am still just a road construction guy. My kids are going to college. However, I am working this year". It is important to him. He is not going to be doing anything else, but he is going to be working.

The cultural community in Winnipeg which is so important does not have the capital. However we came up and said: "We are going to help your fund raising effort. We are going to put some money into this. You go to the provincial and municipal governments and the private sector. Let us see if we cannot rebuild your facility. Let us see if we cannot build it up for the first time in a decade". From the looks on their faces it was apparent we were doing something so they might have an opportunity. I can only say this with passion. It must be understood that the relationship between Canadians and their governments requires governments to act on their behalf. There are some very needy people who need our response.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, It is interesting to listen to the hon. parliamentary secretary. I would encourage him not to break his arm patting himself on the back however.

On this first anniversary I find it interesting that the Liberals come to the House of Commons saying: "Give us your ideas". After being in opposition for eight years and burning to take power with all they had to offer the country, they end up asking: "Well, what are your ideas?".

I find the credit they take for the infrastructure project interesting. This project will add $6 billion or $8 billion to the debt. It will provide jobs for a few months which our children will end up paying for. I find this very interesting.

The question on my mind is with regard to the consultation process. Two of these processes are taking place right now, one by the Minister of Human Resources Development and the other by the Minister of Finance.

The first consultation I mentioned is one for which Canadians are asked to give the government their ideas, but it is a process that makes it extremely difficult for Canadians to take part. After the minister's announcement they were given until September 7 to get their briefs in. This was after applying for the information on the proper procedure to follow.

As far as the people of British Columbia are concerned, these consultations are being held November 16 and 17. It seems to be a very short timeframe for filing briefs, one that is impossible for anyone but the special interest groups who already have their briefs in. As a result, members of Parliament are having to gather the information, take it out to their ridings and perhaps return it to the minister.

With regard to the consultation process with the Minister of Finance, it seems to be much more an exercise in rubbing people's noses in the mess that has been caused by previous governments over the past 25 years, to soften them up for the process of what is to take place. I really question whether consultation is being required as much as preparing people for the onslaught of what is to come.

The Reform Party provided a program during the election campaign a year ago in which by focusing resources upon those people most in need we would be able to eliminate the deficit in three years. This would be done without the harsh consequences the Liberals keep trying to portray us as bringing onto the country.

The question I would like to ask the hon. parliamentary secretary is when will the Liberals really take seriously the process of consultation and open the doors for Canadians as well as opposition members to provide the ideas they keep calling for?

**Mr. Walker:** Mr. Speaker, first the addition of a $6 billion debt to the country is simply Reform Party arithmetic and has nothing to do with the substance of what happened.

On the question of consultation, if for some reason the member thinks the public is not being given a chance to be heard, I would ask the member why he did not read his House of Commons order book? That order and the description of the consultation process has been on the books for nine months. It is clear to everyone who is a concerned parliamentarian how the process is going to work. I can assure him on behalf of the Minister of Finance that everyone who wants to be heard will be heard. He might also be interested to know that next week when we are in Vancouver it is totally booked.

• (1140)

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I thank my colleagues from the Reform Party for providing an opportunity to return again to the topic of public finances and to discuss a motion they introduced today concerning a detailed plan, or should I say the lack of a detailed plan, to be tabled by the federal government outlining its approach to the budget.

In contrast to my Reform colleagues, I would say that there is most definitely a plan and that it has been in place since last February 22 when the Liberal government tabled its first budget. If we are to believe the initial measures introduced by the federal government at that time, and if we are also to believe the various measures it has introduced and the numerous proposals it has made since then, this plan consists in slashing benefits to the very people in Quebec and in Canada who can least afford to do without them—the unemployed, recipients of social assistance, those with health problems and senior citizens as well.

There is clearly a plan, a very detailed and specific plan, to transfer the financial problems of the Canadian government onto the backs of those who least deserve them, who certainly do not deserve the insult of being abandoned by a government that won the election on a campaign that emphasized the dignity of having a job, the dignity that we owed the least fortunate in our society. This is the very group of Canadians that the government is insulting today.

What most struck me in the speech by the Minister of Finance was not the size of the deficit and of the debt; this is not news to us or to anyone else. We know that the federal government has been in the red, not just for one year but for ten. For ten years now, this government's approach to public finances has been building up to this impasse. I would remind the hon. members across the way that it was under a Liberal government that things first began to go badly. The deficit began to grow between 1970 and 1985. And it was when the present Liberal Prime Minister was Minister of Finance that the financial problems started.

Between 1970 and 1985 the deficit grew from 0.3 per cent of the gross domestic product to 8.7 per cent. Fifteen years of Liberal rule led us to disaster. It is this legacy we are dealing with today. This Liberal legacy has led to drastic cuts—again, Liberal cuts—to solve the very serious public finance problem.

I noticed that in his speech the Minister of Finance mentioned a serious matter, namely that the current problem is essentially a structural one. It means that even with ideal conditions for economic growth and employment development, the system is so tainted and its financial and economic impact so serious that Canada's unemployment rate can never go under 8.5 per cent and that the structural deficit—again, even in ideal economic growth conditions—will stay at a minimum of around $30 billion year after year.

The minister's response to these structural problems was to propose more cuts, which will not do anything to solve these structural problems because what is needed—as Quebec sovereignists, and the Bloc Quebecois in particular, understood—is a comprehensive reform of the system. Sovereignists have decided to get out of the vicious circle by reforming the system. This system is impossible to sustain. It is also impossible to reform because if that had been the case, the Liberals across the floor would have spent their first year in office trimming off the fat, reducing the bureaucratic structure, eliminating inefficiency, and decentralizing as much as possible by transferring to the provinces all levers of economic and social development.

• (1145)

Instead, they take drastic measures that hurt, that show their lack of compassion for and attack the unemployed without solving Canada's fundamental public finance problems.

How much credibility can this government have, when all the commitments made by the Liberal Party of Canada during the election campaign are not being honoured? I will give you a few examples.

In the last week of the election campaign, the current Prime Minister said that a Liberal government would never increase taxes in its first two years in office. What did the Minister of Finance present us with last week? The possibility of tax increases.

The Prime Minister also said in this House that he did not rule out the possibility of tax increases this year. What credibility can this government have, when in less than ten months those people go back on the commitments about taxes that they made to the taxpayers of Quebec and Canada?

What credibility can they have when the Prime Minister and all his ministers led Quebecers and Canadians to believe during the election campaign that they would abolish the GST? What have they done since then? Not only have they started to soft-pedal on the promise of abolishing it but they have tried to find an alternative to the GST in a sneaky, even dishonest way. Not abolishing the tax but an alternative that is as bad as the original tax and even worse in some respects. Month after month, they have tried to make the provinces, Quebecers and Canadians take it.

What credibility can those people have? What credibility can the Minister of Finance have when he talks about the largest process of consultation ever undertaken by a federal government since Confederation? We had a consultation process before his budget was tabled: forums here and there and everywhere. I participated in those forums. Of course, a few representatives of organized labour and community organizations were invited to each of these forums, for the sake of appearances. Ultimately, what happened is that $5.5 billion was cut from unemployment insurance and $2 billion from funds allocated to the provinces.

Who said to do that? Who presented such a recommendation in the pre-budget forums that year? No one. But those forums made the Minister of Finance look good. Again he will make himself look good by saying that he consulted Canadians and that they said to cut another $7.5 billion from post-secondary education, health and, once again, unemployment insurance. That is how the Minister of Finance consults.

Who will believe in that? Who will believe in this desire for democracy expressed by the Minister of Finance and his government?

I think that after a year of this government, Quebecers and Canadians are starting to realize that those people have lied to them and not told them the whole truth, that they are going back on their commitments and throwing them in the garbage. They are not inclined to keep the commitments which got them elected.

Several months ago, I heard the Prime Minister refer to the unemployed and welfare recipients as lazy beer guzzlers who should go back to work. I understand why: the Liberals' detailed plan is to cut at the expense of the unemployed and the poorest people in society. That is the plan. Since the last budget came down, I have gone to my riding and met people who suffer as a result of the savage cuts this government has made to unemployment insurance, which force whole families onto welfare. Whole families are discouraged and depressed and have lost the dignity which the Prime Minister says they should have regained with his government.

• (1150)

I suggest to Liberal and Reform members that they go back to their ridings and talk to people affected by these cuts. I would advise them to go easy on slick rhetoric and go out, maybe once every couple of months, and meet some of these people in your ridings. It is important that these members go and talk those who suffer, and who will continue to suffer, because of them. I have met some of these people, as have my colleagues from the Bloc. I can tell you that I was deeply moved to see mothers rush to get social assistance when they had never contemplated such a—

**Mr. Cauchon:** Bleak reality.

**Mr. Loubier:** —Bleak reality.

Mr. Speaker, Liberal members are cynical to the point of putting words in my mouth to describe their own harmful actions to Quebec and Canadian families. It is terrible to see them behave like that!

The Minister of Finance tabled an elaborate strategy to solve the problem of the deficit and the debt, a problem which everyone recognizes, but that strategy targeted the poorest in our society. Consequently, the Bloc Quebecois made detailed suggestions which respect the dignity of people, of the poor, of those who are looking for jobs but cannot find any, and of those who are depressed and who get even more depressed when they see the Liberal Party of Canada continue to make them pay a price which they should not have to pay. I did present these suggestions to the Minister of Finance and to those cynical members opposite.

In fact, we presented an eight–point proposal to the government. The minister should stop saying that we only complain. We do make constructive suggestions which could allow us to recover over $12 billion in the first year alone, without making the plight of our poorest ones worse.

For example, we suggested to the Minister of Finance and to the Liberals that the government should completely withdraw from fields which fall under provincial jurisdiction, instead of continuing to invest in those, as proposed in the Axworthy reform regarding education and health, but—

**The Acting Speaker (Mr. Kilger):** I simply want to point out, in the course of this vigorous debate, that hon. members should remember to refer to the minister by his title and not by name. I know it was an oversight, because the hon member for Saint–Hyacinthe—Bagot has acquired some not inconsiderable skills during his first year in the House. I simply wanted to remind him.

**Mr. Loubier:** I apologize, Mr. Speaker. It was said in the heat of the debate. Everyone refers to this reform by the minister's name, so I forgot we were on the floor of the House and that ministers should not be referred to by name.

Last week, we suggested to the Minister of Finance that the federal government withdraw from all areas of provincial jurisdiction and not, as is the case in the social security reform proposals presented by the Minister of Human Resources Development, maintain and reinforce the federal government's involvement in areas that are the exclusive jurisdiction of the provinces, such as health care and education.

Since in its discussions on relations between Quebec and the federal government, the Bélanger–Campeau Commission concluded that at least $2 billion could be saved by getting rid of all this duplication and overlap, I do not think it would be an exaggeration to say that at least $3 billion could be saved in the process. For a start, the government could do, as suggested by the Bloc Quebecois last June, and abolish the GST, give this tax space to the provinces and let them be responsible for introducing a consumer tax. As a result, hundreds of millions of dollars in GST administration costs could be recovered. Our second constructive suggestion for the minister was to cut many of the subsidies now being given to businesses. As you know, these subsidies represent a total of $3.3 billion. I am not saying they are all useless, but many are given as a form of patronage to businesses that are not efficient and not competitive, at a time when the stakes have changed as a result of globalization of world markets and international competition. There is a potential savings of $3.3 billion here for the Minister of Finance.

The same goes for the defence budget. In its election platform, the Bloc Quebecois proposed a 25 per cent reduction in the National Defence budget. So far, we have seen a 10 per cent cut in the last budget, or $1.1 billion. We have other positive and constructive suggestions to allow the Minister of Finance to cut another $1.6 billion from the defence budget.

• (1155)

According to all Quebec and Canadian experts we consulted, it is possible to get this extra 15 per cent without reducing or watering down the Canadian Forces mandate. Fourth, we asked the Minister of Finance to immediately stop government financing of Hibernia.

A total of $3.3 billion has already been sunk into this project without any prospect of profits and without knowing when the first barrel of oil will be extracted. If I remember correctly, the price of a barrel of oil must reach $26US for the Hibernia project to merely get to the point where it is no longer losing money on every barrel of oil is extracted from this drilling rig, without considering past losses. This year alone, another $250 million will be sunk into this project. Next year, another $250 million or even $300 million could be spent on this project, according to the finance minister's projections, without any hope of profitability.

How many more billions of dollars will the federal government sink into this project, when it is asking all Quebecers and Canadians, especially the poorest, to tighten their belts? Fifth suggestion, we asked the Minister of Finance to read again the last three reports from the auditor general, which reveal blatant carelessness, again, in government program management as well as a bureaucracy which—in some respects—is still overspending and wasteful in 1994, when we are told that public

finances must be brought under control and be more balanced over the next three years than they have ever been. This is our fifth suggestion to the Minister of Finance.

Sixth, we suggested that the Minister of Finance improve tax collection and tackle the recovery of bad debts. The auditor general says that there is $6 billion to pick up here. This amount of $6 billion does not even include contested debts. This is $6 billion that the federal government could get, but because of its laxity, we have a deliberate shortfall of over $6 billion this year.

The same goes for our seventh suggestion to the Minister of Finance and, strangely enough, these suggestions do not appear in his documents. We asked him to reform the Canadian tax system, but not by cutting the age credit, not by taxing RRSPs, not by attacking the middle class and the poor; we asked him to eliminate undue advantages for family trusts which benefit wealthy Canadians. I would recall a rather significant statistic. Ernst and Young surveyed 121 trusts—we only have surveys to go on because the Department of Finance and the Department of Revenue do not want to do a comprehensive analysis of family trusts—and I will give you some figures about them.

The average value of the assets in 121 trusts was $47 million. These are not family trusts for middle–income or high–income people, according to our own definition; these are $47 million in assets belonging to very rich Canadians. These family trusts held up to half a billion dollars. Indeed, that was the amount held in Trust No. 121 in the sample, which was the highest one. Five hundred million dollars. Five hundred million dollars in a trust which, year after year, and possibly until the death of the last beneficiary, benefits from a tax exemption on capital gains. If this beneficiary is lucky and lives to the age of 84, he may benefit from this tax exemption until he is 80 years old, on capital and assets which may be in the millions of dollars.

The same goes for tax conventions. We told the Minister of Finance but he is refuses to listen because he does not like the idea of targeting his friends, the friends of this government. We said that, even after the changes made to the taxation system last February, Canada still had tax conventions with 16 countries and these are considered to be tax havens.

• (1200)

The government loses hundreds of millions because Canadian corporations and very high income earners use these countries to avoid paying taxes. It is time to eliminate such loopholes and it is time this government realizes that it was not elected by major corporations or by those very rich Canadians who have family trusts with, on average, assets of $47 million and sometimes as much as half a billion dollars. It was elected by those people whom the government has been targeting since it took office.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I have a question for the hon. member of the Bloc Quebecois.

Just imagine for a minute that Quebec is a separate country. I would like to ask him what kind of system, what kind of tax reform he wants for Quebec? You referred to problems arising from Canada's complex system. I would like an answer to the following question: As far as tax reform is concerned, what kind of system would you have if you became a separate country?

**Mr. Loubier:** Mr. Speaker, the hon. member's question reflects the tendency of these people to evade the issues. Today, the issue is not Quebec's sovereignty. We are talking about their government's budget process. We are talking about their government's inertia. We are talking about the flabby approach of the Minister of Finance, who has spent the past year—I want to say this because it is true—colouring the Conservatives' blue book purple because they are even more conservative than the Conservatives and telling us we are in the red.

So the issue is the consultation process that is going on now. The issue is the measures this government is taking at the expense of the most vulnerable in our society. Sovereignty is not the issue.

However, I would like to answer a small part of his question. Look at how the sovereignist movement has operated in Quebec for the past 30 years. It has not operated on the basis of a rightist philosophy, like our Reform Party friends have done since they were elected a year ago. It has not operated on the basis of a philosophy that is very close to the right, which is the approach being taken today by the Liberals. It has operated, from the outset, in accordance with the views of Mr. Lévesque. It has operated on the basis of a profoundly democratic society that is intent on the well–being of its most vulnerable members and that wants to provide for a fair distribution of our collective wealth, and I think that once Quebec is sovereign, we will have some really exciting projects.

As soon as we get out of this system, we can go ahead with some very exciting projects to create full employment, increase our collective wealth and regional development and give people new hope and dignity. We will provide real projects to help people recover part of that dignity, without pretty speeches like the Prime Minister gave us when he referred to people who had lost that dignity as beer drinkers.

[*English*]

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, I am curious about a couple of comments made by the hon. member. One was with respect to business subsidies. He said that in many cases subsidies are made to businesses that are uncompetitive.

I guess he is implying that it is okay to make subsidies to businesses that are competitive. In that case, it is kind of redundant in my judgment. I have to wonder whether the member, given his remarks, can justify any subsidies to business at all.

Is the hon. member so committed to deficit reduction that he would give up his MP's pension, should he ever be lucky enough to get that far, given the Bloc's stand? Would he go on record today saying that he is opposed to MPs pensions as they stand now, especially considering his stand on things like family trusts which he would argue confer special privilege?

Obviously that is what MP pensions do. Let us hear what the member has to say on that issue.

• (1205)

[*Translation*]

**Mr. Loubier:** Mr. Speaker, about the $3.3 billion budget for subsidies to business, during the year we have been here, we have asked the Minister of Finance to put everything on the table and allow a parliamentary committee to look at federal government spending in a very thorough and specific way. We have always included the $3.3 billion in subsidies to business, in order to scrutinize what type of subsidies were involved and who the beneficiaries were. Did they really have a structural impact on the economy enabling us to face the challenges of internationalization and international competition?

We never received a reply from the minister in this regard. But, as you said, logic dictates that a normally competitive business should not need subsidies. However, we are now faced with radical economic changes.

The mere fact that the latest GATT agreement signed last December will bring about tariff reductions of about 75 per cent over the next six years is already a lot to deal with.

Although tariffs between the most industrialized countries already averaged five or six per cent, it still makes a difference, especially when, according to most experts, the value of the Canadian dollar remains very high despite some drops in recent months.

We are again in a situation where the slightest tariff protection can compensate for the fact that Canadian businesses are not as competitive, probably in part because of the Canadian dollar.

I submit to you that a normal, competitive business should not be subsidized. Often, all these subsidies to business do is generate competition between Quebec or Canadian firms because one received a subsidy while the other did not. I think that this system must be totally revised. I would say to you that most of this $3.3 billion should go.

[*English*]

**Mr. Mills (Broadview—Greenwood, Lib.):** Mr. Speaker, I want to return to my opening question. The member who is the finance critic for Her Majesty's Loyal Opposition criticized some of the areas in the tax design with which he did not agree. By the way, I share his views in a couple of the areas.

However, he is here to lead his province out of Confederation. He stated that in his speech. That is his democratic right, but Quebecers and Canadians would like to know what type of tax regime, tax design, tax system Quebecers will have in this new country that they are designing?

It is very important for the member, who has this lead role, to tell Quebecers what this system is. We would also like to know what this system is because it might contain a couple of ideas we could implement now. Specifically, what will the tax regime look like in this separate Quebec?

[*Translation*]

**Mr. Loubier:** Mr. Speaker, we would have a normal tax system for a normal modern industrialized country. We would surely have a more equitable system that would not favour only the very, very, very high incomes. I am not talking about high incomes in the definition we have. I just gave you the example of family trusts, with an average of $47 million in assets and as much as half a billion. It is not right that these people pay no capital gains tax year after year for 80 years.

As we have shown from the beginning, sovereignists care about tax fairness, and I suppose that in a sovereign Quebec such treatment would be called into question. The same goes for the 3,400 Canadians who did not pay a cent of income tax to the federal treasury last year, even though they had a very high income. I think that we would also try to correct that effectively.

I would remind you—I know that I have only a minute left—and you will tell me that it is not related to the question, but it is related to the question, quite a bit in fact; I would remind you that sovereignists care about the collective well–being. We have also shown that we want to reduce the contribution of big corporations and big lobby groups to the financing of political parties as much as possible. That is why the Parti Quebecois, just as the Bloc Quebecois, is financed by the people.

• (1210)

That is why a sovereignist government in Quebec, unlike the Liberal government in Ottawa, is not subject to undue pressure and influenced by gifts, in some cases, from lobbyists for very rich Canadian families with assets of $47 million to half a billion that are not taxed for 80 years.

This already gives us a good idea that the prime concern of a sovereign Quebec will be the majority of the people, not an elite who provides the funding, as it does for the Liberal Party of Canada, so that this government has its hands tied and the

Minister of Finance does not put the real tax loopholes in his paper but goes after the tax breaks affecting middle– and low–income people.

So this gives you some idea of what sovereignty would mean for us.

[*English*]

**Mr. Ray Speaker (Lethbridge, Ref.):** Mr. Speaker, on behalf of the whip of our party and pursuant to Standing Order 43(2), Reform speakers will be dividing their time.

In speaking to the resolution before us, presented by my colleague from St. Albert, we must recognize its focus and concern. The major focus is a request that the government look at balancing the budget. Instead of meeting targets that leave major deficits, it must look at balancing the budget and bringing the deficit to zero. That is what we are focusing on today, indicating to the government that there is some urgency in working toward that kind of target.

The other thing we make reference to in this resolution is a plan which the government could implement. We are requesting the government not hide behind the 3 per cent that it set for Canadians, that it will reach supposedly and hopefully in three years. We are saying it is owed to Canadians that we should go further, that the red book plan should be extended to a point at which it details and outlines programs within departments, the priorities which will be set with regard to social spending, the projections with regard to growth in the economy that will move us to the most important target, balancing the budget.

No government can sit and wait beyond one term to reach necessary objectives. The way the government is moving at the present time it is saying to Canadians: "We are going to leave you at the end of our term with at least a deficit of $25 billion". It wants to go back to the people at that point and say: "We did our job. We reached our 3 per cent". That is hiding behind the real problem, which is a truth that must be revealed. I hope the discussion on this resolution today reveals some of that truth.

Today is the anniversary of all of us being elected to the House of Commons. At this point we all have more confidence as to our purpose, our focus and the reason we are here. As finance critic, I have been given the responsibility of dealing with the finances and the budget of Canada.

One of the motivations and the reason I left my responsibilities in the Alberta government, moved to seek the nomination for the Reform Party, got elected and came to the House of Commons was a very focused purpose. When I lived in the city of Edmonton a number of young people from the University of Alberta were in my home day in and day out. Those young people were good, quality students with very excellent averages and tremendous abilities.

They said to me day after day: "We are going to get an education. We are going to be qualified to do something. But what is there out in the Canadian community that will offer us a chance to perform as we wish, to use our talents and our abilities? Will there be a job available?".

• (1215)

I examined that discussion and thought about it. I said to those young people that I thought there was only one place where we could resolve the problem we have, that is in the House of Commons and in the federal political arena. That was one of the reasons for making the decision to come to this assembly. I am here now and I believe the job must be done.

What do I believe? What do I believe is the secret or the road to dealing with the problem? Much of it is set out in the rhetoric and comments in the document presented in the finance committee called "Creating a Healthy Fiscal Climate". A lot of good objectives are established by the Minister of Finance and the Government of Canada. They want to work toward balancing the budget. That is a good objective. They also say that some very immediate things must be done. They set out a relationship between bringing the deficit into line, bringing it to zero, dealing with the debt and balancing the budget. In turn if those things are dealt with they will bring about growth in the economy and job opportunities for Canadians.

That is the sequence I agree with. I was very disappointed, I must say, with the red book plan of the government. In the campaign a year ago it was clearly stated by the candidate in my constituency, and I am sure by other Liberal candidates and those who were elected, that they were going to create jobs for Canadians. That is the wrong approach to job opportunity. Government cannot create jobs. It absolutely cannot create jobs.

The government initiated a program of infrastructure for Canadian municipalities in a variety of jurisdictions in Canada. Certainly there were jobs made available to Canadians. Those jobs were short term, for six months, a year or maybe two years. They were jobs made available to Canadians. They were not jobs created by the economy that would be there for a long period of time, would be self–supporting and would be part of the private sector or the private economy of our country. If those kinds of jobs are created they are long term and will will benefit our country. Certainly the Government of Canada will benefit by increased revenues into its coffers to take on its responsibilities.

In this term of office, between now and the next election, we have the opportunity to reach the goal of bringing the deficit to zero or near zero. The government must be more aggressive. I looked back on this year's performance of the Prime Minister and of the Minister of Finance. I thought about that last night and I asked myself how I could describe what they were doing. Why is it that the Prime Minister on his first anniversary is high

in the polls, at 60 to 70 per cent in terms of popularity? That is very high. Why is he so popular?

If we re–examine what is being done there is not very much being done in Canada, not very much in terms of the government. There are a lot of studies, a lot of reviews and a lot of procrastination. The only concrete thing I can see is with regard to infrastructure. That was put forward by the minister. It is implemented and it is there.

How do I describe it? We have what I would call sort of a pied piper syndrome in Canada at the present time. We have this popular leader who is leading us down the road while playing a beautiful piece of music. The people of Canada are saying: "Things are okay. It is all right. Things are going to work out". A nice song is being sung but they are not focusing on the problem.

• (1220)

The deficit is being ignored because of the comfort zone being given to Canadians by our Prime Minister and the Liberal government. Some day they will wake up to the fact that the pied piper is taking us down the road. I recall my father telling me the story many times. The pied piper led the children into the river and they all drowned. My father had another innovation where they went into a cave and a heavy rock rolled over its entrance and the kids were lost to the families of the town.

The same thing is going to happen here. The people of Canada are being led down the road to where they will fall into the debt hole. We are going to have a crisis because we are going to fall into the debt hole and the government is not dealing with it. That was said in the document presented to the finance committee called "Creating a Healthy Fiscal Climate". Page 25 of that document states very clearly what the circumstances are. This is the government's document. The Minister of Finance presented it to the committee on October 18, 1994.

It says that by fiscal year end 1994–95 the net federal debt is expected to be $548 billion. It also says that if program spending remained roughly in balance with revenue, compound interest alone at today's average rate of about 8 per cent would cause the debt to grow by almost 50 per cent, to more than $800 billion within just five years. That is before the turn of the century, before the year 2000. It goes on to say that by then the annual interest payment would be about $64 billion or $20 billion more than this year's forecasted debt charges. Can we imagine $64 billion out of the budget? Our budget now is $127 billion in terms of revenue, and $64 billion will be paid out of it. That is how serious it is.

The Prime Minister is getting all the laurels, all the credit, but he is leading us into a debt hole and into a crisis. The government must come up with a plan and give the people of Canada some details on how we are to be led out of this grave and difficult situation.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I want to make one short comment and then ask a question.

I think the member is not being reasonable on the infrastructure program. During the establishment of infrastructure the job time might be for three, six or nine months but the actual completed infrastructure provides an environment. As the Parliamentary Secretary to the Minister of Finance said, the new transport system from the airport in Winnipeg will be there for 30 or 40 years. It will allow for the economy in that sector to move forward in a more efficient and productive way in terms of exports to the southern United States.

However I want to ask the member a question about the deficit and the debt. As the Parliamentary Secretary to the Minister of Finance said in his remarks this morning, if our interest rates were to go up by half a point it would cause an added burden of approximately $3.5 billion in service charges. Obviously we have to create an environment where we can stabilize our interest rates and create a system that would put downward pressure on interest rates, which subsequently would allow us to have a lower cost in servicing the debt of the country.

Does the finance critic for the Reform Party believe a tax system that is fair and promotes entrepreneurship could reverse capital flows that are currently leaving the country? By capital flows reversing and coming back to Canada a downward pressure could be put on interest rates. Does the finance critic believe that comprehensive tax reform could create that possibility?

• (1225)

**Mr. Speaker (Lethbridge, Ref.):** Mr. Speaker, I thank the hon. member for his questions.

In terms of the infrastructure question that he raises, if a government must invest in some type of job opportunity or in some infrastructure project maybe jobs are created as a side benefit. However, if our country has good infrastructure such as roads, et cetera, the private economy has a good base from which to work. That is a very proper function for government and I agree with it.

The point I was making with regard to infrastructure is that it is not the solution to the problem. It is very short term. It is not a long term solution. We cannot keep borrowing money and investing it. Somewhere the hole gets a little too deep and we get into trouble.

I will deal with last question the hon. member raised.

**Mr. Mills (Broadview—Greenwood, Lib.):** With regard to the downward pressure on interest rates and tax reform.

**Mr. Speaker (Lethbridge, Ref.):** A fairer tax system would have a reflection on interest rates. What has to go along with that is certainly the deficit reduction we are talking about to deal with confidence in our country.

A number of investors in our country right now are looking at us. Those who judge our credit as a country are asking if we have dealt with the deficit and saying if we have not it looks like it is getting out of control. Then our interest rates go up and we have some problems. It is not only a proper tax system that deals with a rise in interest rates. It is certainly a question of whether the government has shown the will and dealt with the matter of the deficit.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, it is an honour to rise today to participate in debate on the motion brought forward by the Reform Party requesting that the government bring down a plan of action.

I was going through my files today on this very subject and found a headline that caught my eye: "Slashing the Deficit in Just Two Hours". This was the heading of a column in the June 13, 1994 edition of *Maclean's* magazine by Diane Francis. She has a plan. I might not agree with all the things in her plan, but at least there is a plan and there are topics that can be discussed.

We are here today to find out some ideas and put some thoughts on the table about how we can reduce the deficit and the debt. As we all know politics is the art of possible. Let us try to make things possible by reducing the deficit and the debt. For far too many years the country has been living off its credit. Like other spendthrift debtors there comes a time when they finally have to pay the piper. They either quit spending more than they earn and begin to repay their debts, or the banks foreclose on their homes, seize their cars and they are bankrupt.

The bank is getting ready to foreclose on our mortgage, to repossess our car and to cut up this nation's credit cards. Finally the country and its government have to wake up and face this reality. No longer can it be ignored. The finance minister has finally heard this message and I congratulate him for having the courage to admit it in his statement.

The Reform Party was catapulted here one year ago by common sense Canadians. We have been trying to get this message across to the government from the first day of this Parliament. Decades of spendthrift management and extremely poor decisions have entrenched programs and attitudes that have led the nation to spend its birthright and mortgage its future. We must for our children's sake get this mess under control.

• (1230)

The finance minister has said that each one of us must decide which government services we personally can do without. No longer can Canadians take refuge in the attitude that someone else can pay, that someone else's services can be cut. We must let Canadians prioritize our spending, prioritize our programs, something again that the Reform Party and its members on this side of the House campaigned for rigorously during the last election.

Governments have often sought to supply services through crown corporations because it was felt these were necessary, that these services could not be provided by the private sector. Perhaps at one time this was true. Perhaps there was justification for pouring funds from the public purse into these uneconomic businesses, but it is an expensive proposition and one that has stifled competition.

This philosophy has also cost this country greatly in dollars and lost opportunities. Over the years crown corporations have contributed mightily to our monstrous national debt and high taxes which have stunted growth and discouraged innovation in this country. There comes a point when these crown corporations no longer fill any real need, when inertia is their prime reason for being. We can no longer afford this.

Today we are a nation of some 28 million people. Times have changed. Our needs have changed. Yet still we ladle public money into ventures best left to the private sector and in the process we smother competition and eviscerate the entrepreneurial spirit. The people of this country have been led down a perilous path.

The plain and simple fact is that goods and services are provided more efficiently, more effectively and with better quality by the private sector in a competitive environment. Why then do we still maintain crown corporations and agencies that meddle in the free marketplace on the strength of huge dollops of money from the public purse?

Even at a time when there was justification for government owned broadcasters which gobble up close to $1.2 billion a year, how can it be justified today? For instance the CBC was created so that Canadian culture was sure not to be lost, but things have changed. Technology has changed. An example of that is the private cable companies.

Private cable companies across this nation supply community access channels. In my own riding of Okanagan—Similkameen—Merritt, Shaw Cable provides access to a community channel for cultural programming, for interest groups to make programs. This is something we should look at. How can $1.2 billion a year to the CBC be justified? Would this money not be better spent on educating and training our youth so that they can have productive futures, so that they will have no need for expensive UI programs or welfare?

We must set realistic priorities. We no longer have the luxury of wasting precious tax dollars on foolish spending. Of course the other side will criticize me by saying: "The hon. member is saying he is just going to cut everything". I want to make it very clear that is not what I am saying. I am saying that every single government department, agency, crown corporation and marketing board should be evaluated for its relevance in today's economic climate. If the same function is or could be provided

by the private sector, that government body should be disbanded immediately.

Organizations such as the Canada Council defy common sense. When we are talking about shrinking funds for education and health care, how can we as responsible members of this place support any endeavour which is not necessary for the well–being of the people we represent, all Canadians?

Last summer the Minister of Transport announced a move to place more of our transportation system in the hands of the private sector. This is a positive change which will benefit all Canadians. The minister has recognized the fact that these services can best be provided by the private sector. The people of Okanagan—Similkameen—Merritt have supported this concept in town hall meetings across my riding. As well the same thoughts were heard at every one of the government's prebudget consultations earlier this year.

• (1235)

In the prairies farmers are demanding that the Canadian Wheat Board be reformed and that producers be given the opportunity to sell their grain to whomever they choose. One producer who operates a small milling operation with its head office in Penticton has detailed years of interference with his business by the wheat board. This interference has severely limited his opportunity.

Let us explore this for a minute. The Canadian Wheat Board is an interesting topic. It is widely known that western Canada produces the world's best durum wheat. It is ideal for pasta products. I am not a farmer. I am a common type of person, but I must scratch my head in wonder. It would seem there is a tremendous opportunity in western Canada for someone to go into the pasta production business. It is also interesting to note that there is not one pasta producer in western Canada. Why is that? Let us look at some examples.

North Dakota, which grows about as much durum wheat as the province of Saskatchewan in a good year, has four prosperous pasta operations. This House should know about a real success story for the North Dakota growers in the village of Carleton. They built a plant without any state or federal government assistance. They have the most modern equipment. It runs 24 hours a day and has 240 employees. It processes 250 tonnes of wheat daily into highly valued privately packaged pasta products that are shipped all over the United States. There is more good news: expansion plans are under way.

Why then does western Canada not have a pasta producer? In western Canada, durum growers owning their own mill would be in the same position as if they were trying to sell their wheat product independently. They would be forced to sell it to the Canadian Wheat Board at the board's prevailing initial price. Then their company would be forced to buy that wheat product back at the board's selling price.

Durum wheat growers could not legally sell directly to their own company in this country, nor could their company buy their own wheat. It is just ridiculous. In other words, any benefit durum growers who are also the investors in the private company would have in the pasta plant would have to be shared among all the wheat producers in Canada.

I am not saying that the Canadian Wheat Board is stifling competition in this country. Just a minute, maybe I am, but then again maybe I am not. What I am saying however is that we should put it on the table, discuss it and evaluate it. It appears this country is missing yet another golden opportunity.

My time is running out so I will close by saying it seems that the national economics elude the test of common sense every family must face when handling their finances. Canada's deficits are not insurmountable. Canada's deficit and debt are merely symptoms of an inept and cowardly leadership.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I will begin by commenting on the last point the member made on creating a value added pasta plant for our durum wheat. The member has brought a new insight to me. I will give him an undertaking that I will take his point up with the Minister of Agriculture and Agri–Food.

• (1240)

I do not know the issue well and there may be some technical points which make this not as easy as the member describes it. However, I think the member has raised a very insightful point. Any time we can create a value added opportunity with a resource like this we should look at it.

This goes back to the point I wanted to make. In the last nine months this government has taken on a very thorough review of all crown corporations. If they do not meet the public policy objective that we all believe in then a lot of those crown corporations have had their budgets cut, some of them severely. It would be inappropriate to leave Canadians with the impression that we are not reviewing and evaluating all crown corporations.

In fairness to the member, he did acknowledge that the Minister of Transport has done a very good job in commercializing all the airports in Canada, privatizing and offloading them to local authorities. Some would even argue that he is moving too fast. I know the Reform Party feels quite comfortable with that. However, I caution members opposite that when we are dealing with a complex department like transport, which traditionally has galvanized the spirit of this country and helps pull this country together because it deals with rail, transport and sea, before we just cut and offload it we have to make sure we are doing it in a manner that does not fracture the very fabric of the country.

**Mr. Hart:** Mr. Speaker, I appreciate the comments by the hon. member. Whenever we come up with value added ideas such as I have mentioned here today we should explore them at every possibility.

There is a misconception on that side of the House of what the Reform Party is saying should be done. We have said this very clearly but it has fallen on deaf ears at times that the items Canadians feel are the most important should be prioritized. It should look like a balance sheet. I know the hon. member has spent many years in business. It is very similar to what someone would do in their own business when they found that their outflow of money was larger than what they were bringing in.

**Mr. Mills (Broadview—Greenwood):** This is not a business.

**Mr. Hart:** The hon. member says that this is not a business. But Canadians are saying they want government to use common sense principles like the average person uses in Canadian society, whether it is in a business or whether it is when they are working out their family budget at home. These things have to be prioritized and then everything else should be put on the table.

What the Reform Party has been saying is the items which should be saved and protected for all Canadians are things like the federal funding for the health care system, federal funding for the Canada pension plan and for old age security where it is directed to those people who are most in need. We are saying that funding should be maintained for those areas and possibly more if need be. We are saying that education funding is a priority in this country.

There are about three or four items on the balance sheet that pertain particularly to things that should be saved. On the other side are the things that should be cut. Those things are the things we are talking about that are on the table.

**The Acting Speaker (Mr. Kilger):** Colleagues, there is a housekeeping matter I would like to dispose of.

I wish to inform the House that pursuant to Standing Order 33(2)(b), because of an earlier ministerial statement Government Orders will be extended by 32 minutes.

**Mr. Barry Campbell (St. Paul's, Lib.):** Mr. Speaker, I welcome the opportunity to speak to this supply day motion. It allows me to review a very important policy paper concerning the government's economic strategy that the Minister of Finance presented to the Standing Committee on Finance just last week.

• (1245)

Obviously the member proposing today's motion must have been occupied elsewhere when the Minister of Finance tabled "A New Framework for Economic Policy" on October 17. Perhaps the length of the document, 87 pages, was too much for him to absorb. He may still be waiting for the Cole's notes version. I know on their side of the House it is all about simple problems with simple solutions that pop into their heads, so they must be right.

If I appear a little sarcastic, frankly that is the only reasonable response to a motion that calls for the government to table "a clear statement of its vision of the role of government in the economy". That comprehensive statement has already been tabled. It made headlines across the country.

If the hon. member or any Canadian phones the distribution centre of the Department of Finance, the phone number is 613–995–2855, a copy will be provided immediately.

I suspect if the hon. member takes the time to study this document, which he has not apparently, he will appreciate its significance. Canadians have seen only too often what happens when a government implements policies without clear guiding principles. The result is like building a house without a blueprint. It is chaotic, it is costly and the roof leaks.

Canadians deserve to know the principles which guide the Canadian government. That is why this government has set out the framework for the economic policies we intend to build upon. This paper, "A New Framework for Economic Policy", is a clear statement of objectives that will guide what the government will do and what it will not do. It provides the very vision that the hon. member wants Canadians to debate.

Before I get into details, let me set the scene by describing the underlying principles of the framework. This government has one overriding goal: jobs and economic growth. While a strong economic recovery has taken hold, the fact remains that our unemployment rate is too high with Canadians paying a tragic price. That price includes lower government revenues and higher costs, problems that contribute directly to the deficit dilemma they are so concerned about and we are concerned about.

Sound economic policy and good social policy are linked. Sustainable social programs depend on a sound economy. Canadians need more jobs and better jobs. Jobs create dignity and wealth and enable us to sustain our commitment to social justice.

Common sense suggests, and the hon. member must agree, that a country that is to continue to care for its citizens must be a

country that pays its bills. That means living within our means and creating jobs through economic growth.

The fact is the logic and approaches of the 1960s simply are no longer good enough in a 21st century arena. We cannot afford them and we will not succeed with them. Previous generations responded to the challenge of their times by building the physical and social infrastructure of Canada. We have a similar challenge and our own responsibility to create the infrastructure for our times and for that of our children, the infrastructure of ideas and innovation.

It is innovative combinations of people, capital and ideas which will place us at the cutting edge of economic change and growth. Working people harder and making government meaner is not the key. Working smarter and making government more effective is what Canadians want and need. To work better and smarter the very nature of government itself must change. The time is long past when governments can or should do everything.

We need a partnership that gives responsibility to those who are best able and suited to do the job, be it government, business, labour or the volunteer sector. That requires a government that knows where its true potential lies and what its real limitations are.

There is a difference between Liberals and the member who sponsored this motion. We believe government has a role to play as catalyst, as facilitator setting goals and monitoring performance. I believe government should get out of the way but not stand aside. That is Liberalism for the 1990s.

Like countries everywhere Canada must adapt to the powerful trends that are shaping the global economy, the global financial market, the dynamic growth of economies in the Pacific rim and parts of Latin America, South America, and the impact of information technology. Each of these has dramatically increased the competitive stakes. The bottom line is clear, to become more competitive Canada must become more productive.

Productivity is about how well ideas, workers, resources and investment are brought together in a country's economy. Productivity is about ingenuity, about better management, paying attention to the common sense of workers. Productivity growth is the basis for a better standard of living for every Canadian.

Some Canadians fear that productivity is a code word for fewer jobs, greater hardship. They are mistaken. History shows the compelling relationship between productivity and employment. Between the fifties and early seventies productivity growth was high, averaging 2.3 per cent. During those decades unemployment was low and incomes rose at a steady pace. The picture changed from the seventies to the nineties. Productivity dropped by more than half, unemployment soared and the growth in incomes slowed to a virtual halt.

• (1250)

How do we improve productivity? First, we improve skills. We must become more innovative and provide a welcoming climate for investment. We must remove the disincentives we have created for business and individuals, disincentives that hold us back because they encourage dependence or block opportunity.

There is another critically important imperative for a more productive, prosperous Canada, as our framework paper emphasizes. We must get our fiscal house in order.

Let me turn now to the objective for jobs and growth the government has set out in "A New Framework for Economic Policy". There are five key areas which we must focus on. I will be interested to hear if the hon. member opposes any one of them.

The first is helping Canadians acquire skills, the skills to get jobs, keep jobs and find better jobs. The facts are clear. Jobs for people with high school education or less are shrinking while jobs for those with beyond high school education are growing. In fact projections show that almost half the new jobs created during the nineties will require more than 16 years of education and training combined.

I should add that there is a particular element of this challenge that engages small business. They do not have the resources that large firms have to help employees acquire the new skills that the information age demands, much less basic abilities in literacy and numeracy. Small business depends on a public education system that is doing its job.

In terms of education, the challenge in Canada is not money. We spend more on education than just about every other country. What we need are better results. Individuals, employers and government must co–operate and share responsibility in improving education and training.

The second part of our framework is encouraging Canadians to adjust to change. Economic progress depends on a willingness to embrace new opportunities. It is our view that protecting and subsidizing business is almost always the wrong way to go. For that reason the government may change the entire approach to subsidies.

Equally, we believe regional economic assistance should focus on genuine opportunities such as tourism that have great potential to be self–sustaining. Government should focus on winning industry sectors, not specific enterprises. Government has not been terribly good at picking individual winners.

At the individual level the existing unemployment insurance program must be changed. It is bad economic policy today and bad social policy. We intend to take measures to bring it back to what it was, insurance, and to create programs that foster job readiness.

Further, we believe high payroll taxes are nothing more than a tax on hiring. We have taken steps to reduce UI premiums and will do more in the future.

The third element of our framework is getting government right. Our attitude is straightforward. It is time to make choices. We must eliminate or reduce lower priority activities and target scarce resources to the highest priority programs, helping those in need, ensuring that people get the training and the opportunities they require.

We are also trying to drain the swamp of federal regulations which costs Canadian businesses tens of billions of dollars each year. Regulatory reform has the potential to increase productivity, stimulate investment, create more cost efficient government. We have reviewed more than half of the 3,000 regulations on the book. We have eliminated more than one quarter and left another one quarter in place. The rest are in the process of being revised and examined.

Providing leadership in the economy is the fourth objective. While the private sector creates jobs, the government has a clear role in creating a healthy economy which gives the private sector the confidence to add jobs.

In our knowledge based economy success depends on skills and innovation. The government can contribute by gathering and disseminating information and ideas about technology and new markets. As well, it can play an important role in bringing businesses together, something that is critical in an economy where many new firms are small and highly specialized.

One priority is to do more to harness science and technology in order to improve productivity and growth. Government can help by building better links among industry, universities and government labs. It also has a particular role in making sure small business benefits from the latest know–how in the high technology sector in particular.

Trade is another area where government involvement is essential for success. Today more than ever Canada is an exporting nation. It is vital that more companies become exporters and that we look beyond our traditional markets to the emerging economies of Asia, Latin America and eastern Europe. Here the government can help by providing more information and ensuring that small business has access to export financing. We must work toward an end to export subsidies by foreign countries. Until that day we must do what is necessary to ensure that our exporters can compete with foreign competitors.

• (1255)

The fifth and final objective is absolutely essential to the others. We must create a healthy fiscal and monetary climate. If we do not, as the finance minister told the Standing Committee on Finance, we will fail at everything else. That is why we have staked out a firm commitment to bring the deficit down to 3 per cent of GDP by 1996–97, effectively cutting it in half from its present level. That is why we have also made it clear that this deficit target is an interim step in meeting the ultimate goal to eliminate the deficit completely.

It would be absurd to claim that a single policy paper has all the answers to secure Canada's economic future. Other papers on specific issues are being completed. I suggest that no government in recent memory has demonstrated our commitment to providing Canadians with factual, accessible information on its economic principles, its strategic agenda and the fiscal situation.

Examples include not only the framework document, but its companion financial update entitled "Creating a Healthy Fiscal Climate". There is also the first ever annual financial report of the Government of Canada that was released earlier this fall as suggested by the Auditor General. To me and I hope to all Canadians the evidence is clear. Our government has a vision of the role of government in building a more prosperous nation.

The hon. member opposite would better serve his mandate and the interests of the entire nation by providing meaningful alternatives, if he has any. Motions calling for statements that already exist do nothing but pass our time. Let us dismiss this motion and get on with the real business of future building.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I appreciate the hon. member's speech. I did not hear him comment too much about the fact that given the government's current plan for budgetary spending, our debt will grow by $100 billion in three years and our deficit will still be $25 billion a year after three years. These are the government's projections. Our annual interest bill will go from about $40 billion to $50 billion a year. This is in spite of a time of economic growth in Canada. At the end of these three years we may face a recession given the cycle of business and the international marketplace.

Would the member comment on whether he thinks the current 3 per cent of GDP deficit ratio is acceptable in light of those statistics?

**Mr. Campbell:** Yes, Mr. Speaker. It is not only acceptable, it is achievable. It is an interim step on the way to addressing what I know the hon. member opposite wants to address, the overall deficit and debt problem. We are starting down that road in the right direction with an achievable target and we are going to get there.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I see that the Liberals have one more member of their olympic low hurdles team thinking that 3 per cent is just fine.

I listened with great interest to most of the dissertation of the hon. member for St. Paul's. A good deal of what he said about what the legitimate role of government should really be would find favour on all sides of the House as we are searching around now with yet another study to find out what the legitimate role of government should really be.

The reality was however that it was 10 minutes of platitudes disavowing 35 years of Liberal history. That is the route. That is the reality. It was 10 minutes of platitudes disavowing 35 years of Liberal mismanagement of the economy that got us into this mess.

My question to the hon. member for St. Paul's is this. After nine years in opposition, one year in government, is it not time that the government came out with specific responses to specific problems rather than yet another consultation? Does the hon. member opposite consider it the legitimate role of government to pick winners and losers in the marketplace? This is a very simple question. Is it the legitimate role of government to pick winners and losers?

• (1300)

**Mr. Campbell:** Mr. Speaker, with respect to the member's last question, no, and I said as much in the speech. We should pick winning sectors and that is what we are going to be doing.

With respect to the member's suggestion that we are disavowing Liberalism or the Liberal viewpoint or policy of the last 35 years, absolutely not. We still put the Canadian people first and foremost. As we attack the debt and deficit, which must be addressed, we keep the Canadian people clearly in focus.

Unlike members opposite, we know how complex the issue is. We know that Canadians want to have a say in what we are doing. Many have asked to testify before the finance committee in the prebudget consultations—we are oversubscribed already—and I for one welcome hearing what they have to say.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I hear that the hon. member opposite is proud of the $275 billion that the Liberal government contributed to this wonderful national debt.

If they are going to blame the Conservatives for a portion of it we really believe that these members should take their share as well.

My question for the hon. member is when it comes to the deficit and to balancing the budget, which they claim now after they have listened to the Reform Party long enough, what sense of urgency does the member opposite have to getting to a zero deficit and a balanced budget? What sense of urgency does the hon. member have in getting to a balanced budget?

**Mr. Campbell:** Mr. Speaker, I do not know where the hon. member got his lead into the question. I do not know if he was listening to the debate or not.

However, on the second part which was the urgency of getting to a zero deficit or balanced budget, clearly that is set out in the documents that I was discussing in my speech earlier. The 3 per cent figure by 1996–97 is clearly stated and has been stated on numerous occasions by the Minister of Finance as an interim target. We are going to hit it. We are going to get there and then we will move on.

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, I will not be quite as harsh with the hon. member for St. Paul's as my colleagues.

I would like to ask him a couple of direct questions. I am reading from a speech given by the transport minister. That is my big concern. It says U.S. rails have higher labour productivity than Canadian rail, 64 per cent higher actually. I appreciated the comment that we are going to become competitive.

The other excerpt I would like to read is this: "Rail has more than 200 separate kinds of actions or decisions that must be approved by the National Transportation Agency". Then he goes on and says: "In Canada, the approval process for conveyance can take up to six months. In the U.S. approvals are granted in as few as seven days".

How is the Liberal government going to make us competitive with these kinds of hindrances? These have been injected into our system during the last 25 or 30 years. All of a sudden are we going to do it in a six–month period? I have been after the transportation agency to stop the back–tracking. It has been almost a year and we have not been able to stop that yet. What action can we take?

**Mr. Campbell:** Mr. Speaker, I thank the hon. member for his question. That is precisely the kind of example that we are looking at in transportation policy. The Minister of Transport is conducting reviews that are precisely addressing those impediments to business, productivity and competitiveness that I was speaking about earlier in my comments.

These reviews are going on throughout government. We are getting on with regulatory reform. We are getting on with social policy reform. We are addressing this in the context of prebudget consultations. All of that is under way. I know the hon. member is impatient and I do not blame him.

Canadians understand that we do not fix problems overnight. I know he has some colleagues who think it is all simple problems, simple solutions. We will do it, we will wrap it up tonight and it will all work out tomorrow morning.

However, on this side of the House we know things are complex. Canadians want to speak to us. We want to listen and we want to do the best for all Canadians.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I rise today to address our motion requesting the government table a clear, detailed plan to show how and when it intends to balance the budget.

For years the Reform Party has been saying that the deficit and the debt and the interest costs to service that debt together constitute the single most critical problem facing Canada today.

We have been saying this loud and clear for the past year in the House as well. As the debt clock continues to tick its way into the second half of a trillion dollars, we are increasingly aware that the old way of doing things in Canada simply does not work any more. The Liberals are standing firm on their policy of status quo federalism while the Bloc Quebecois continues to push its separatist agenda.

• (1305)

Reformers believe that these two approaches do not cut it for Canada. There is another option for a new and better Canada and we would like to invite people to have a look at what we intend to build on our side of the fence. Like a house, Canada is mortgaged to the tune of $534 billion. The interest payments on this mortgage alone eat up one–third of our tax dollars, leaving less money for social programs and for government services. That is why there is a need to balance the budget.

Even in the red book the Liberals have pointed out the dangers of continual deficits in the $30 billion range. What have they planned to do this year? Simply add $39 billion to the debt. By the end of the first three years of their mandate they will have added another $100 billion to the debt.

The time has come to build a home that we can live in comfortably without adding further to our mortgage. We must start by having a foundation of responsible spending and set priorities so that we can afford things that are really important, like strong walls and a good roof instead of wasting money on frills like gold bathroom fixtures and swimming pools.

Our building plan trims the size of the federal government, carefully prioritizes social spending, and cuts out frills like multiculturalism funding, subsidies for businesses and special interest groups, the gold bathroom fixtures to which I was referring.

On this note I would like to focus attention on where and what to cut in the area of special interest groups. As many of you know, the Reform Party does not court special interest lobbies and is opposed to the subsidization of such groups with government funds. The reason for this is straightforward. Political interest lobbies have a singular political purpose and that is to advance their own agenda. We feel strongly that taxpayers should not be shouldering the cost of their activities.

The National Action Committee on the Status of Women for example receives about $5 million a year of taxpayers' money while claiming to represent the interests of all women in Canada. What have Canadian women received for this money? Calls for pay equity, which pushes the country away from embracing hiring practices based on merit and not gender, demands for a national day care system when the majority of parents would prefer to raise their children themselves, given a better tax situation.

The fact is that based on recent polls more than half of Canadian women have not even heard of NAC. NAC has about 2,000 card carrying, money donating supporters. They claim higher totals but this is because every member of the YWCA is automatically added as a member of their organization.

These 2,000 supporters are a stark contrast to the women's group called REAL Women which has over 40,000 members, collects no government subsidies and gets its money from the people it purports to represent.

The fact is that when the government subsidizes political lobby groups it subsidizes only some and not others. Mr. Speaker, through you to the finance minister, cut funding to NAC.

On another front the Canadian taxpayer is paying millions of dollars annually for union leaders to understand the importance of the Canadian labour movement. The total handouts by the Department of Labour during the period of 1989 to 1992 to unions was almost $18 million. If unions would dedicate their members' dues to union business rather than political action they would not need handouts from the taxpayers. Mr. Speaker, through you to the finance minister, cut funding to unions.

As a businessman I have seen people take advantage of government subsidies and grants, not because they need to but because the money was served on a gold platter. Here it is, take it. It is called incentives. Staggering sums continue to be ladled out in handouts to businesses despite the fact that national business groups have called on the federal government to stop giving them money. This money usually comes from giant slush funds known as the Atlantic Canada Opportunities Agency and the Western Economic Diversification Agency. The 1994–95 estimates have almost $1.3 billion being funnelled through these agencies on pork barrel programs.

Mr. Speaker, through you to the finance minister, cut funding to pork barrel agencies, including his own federal office of regional development, a $400 million program in the province of Quebec.

I have a question. Why Olympic Saddledome renovations when Calgary needs $60 million worth of sewer repairs? The infrastructure program simply puts Canadians $6 billion further into debt and the jobs they create are over when the money runs out. Mr. Speaker, through you to the finance minister, cut out infrastructure immediately and quit tempting Canadians with my grandchildren's money.

• (1310)

The government is tilting the playing field, giving financial assistance to just those groups it wants to hear from. The idea that the government is looking out for the interests of all Canadians is just a smoke screen. It is only a select few that count.

A perfect example of this will become apparent in the next couple of months with the much talked about consultations across Canada on social and economic reforms. The government favoured special interest groups have already been given their advance notice to prepare their presentations while ordinary citizens have been left to their own devices.

The game goes on and it is habit forming, so much so that the government even continues to give money to groups to lobby for things that the general public actually agrees with. Here is a good example. I do not smoke and the majority of Canadians do not smoke. The health minister and her department clearly want to put an end to smoking. I do not have a problem with that but can someone tell me why we paid $200,000 to the Non–Smokers' Rights Association to tell us what we already know? Incidentally, the Non–Smokers' Rights Association has just 300 paid up members. That is not what I would call significant public support. Mr. Speaker, through you to the finance minister, cut funding to the Non–Smokers' Rights Association.

The simple truth is that we are now on the verge of losing our home to foreign creditors. We simply cannot continue to give borrowed money to people who have no proper claim to it.

Direct government subsidies to business distort the marketplace and punish success in order to subsidize failure. Money is taken from successful people in businesses and reallocated to unsuccessful people and unsuccessful businesses in the name of job creation. In the same way that government subsidies to business distort the economic marketplace, subsidies to political lobby groups distort the political marketplace of ideas.

In a true democracy this is intolerable. That is why the Reform Party believes that people should be free to express their views but use their own financial resources. That is why we are against special interest funding. If an idea has merit and is deserving of public support, that idea will rise on its own with financial assistance from the people who support that view. If not, then the idea will fade away as it deserves. Let the people speak rather than the subsidized lobby groups.

It is time to cut spending and stop giving money to those who do not deserve it. It does not take months of consultation, task forces, studies and commissions to understand this fact. The Liberals, three years prior to becoming the government, wrote studies and went across the country. The Prime Minister asked them too. They have already consulted with people and they still do not know what the people are saying. I do not know when they will get it.

People at the grassroots level are saying quite clearly that they will no longer subsidize special interest activities with their hard earned tax dollars. Gone are the days of needless government frills and fancy fixtures.

Mr. Speaker, through you to the Minister of Finance, if the government wants to start cutting it can start right here. Cut spending on special interest groups and save taxpayers a half a billion dollars. Cut spending and stop direct business subsidies and save taxpayers $1.3 billion.

Mr. Speaker, through you to the finance minister and to the Liberal government, let us build a mortgage free home that we can all afford and pass on to our children and our grandchildren with pride.

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Mr. Speaker, I listened with great interest to all parts of the speech of the member opposite and I have a couple of comments to make and a question to ask.

At the beginning of his speech he talks about, and quite rightly, our grave concern about interest payments. He suggested that if we were responsible, somehow we should be able to eliminate it overnight. It is inappropriate that we should be incurring more debt and more interest payments tomorrow, the next day or the day after. However, I want to make it clear both to the member and to the people out there in the audience that to accomplish that tomorrow would mean we would have to cut $40 billion out of government expenditure. The member opposite is suggesting that we cut $40 billion out of the federal budget tomorrow.

That is an unreasonable approach. We want to cut the $40 billion but we are going to do it over a reasonable period of time with reasonable policies that protect individual Canadians while we are doing it, not overnight.

**Mr. Hermanson:** That is the Tories all over again.

**Mr. Ramsay:** We have been listening to that for nine years.

**Mr. Mitchell:** The member across suggested a number of ways he thinks we can do it. Let me enumerate some of them. He talked about the fact that he wants to eliminate day care. To him daycare is not important. Let us sweep it off the table. That is not of any interest to anybody.

• (1315)

According to the member pay equity is not important. Let us sweep that off the table. That is not something we want to have anything to do with.

We do not want anything to do with unions or with economic diversification in the areas of this country that are hard hit economically. No, we do not want to help any of our disadvantaged regions. That would be something we would not want to do.

Finally, he talks about special interest groups. He mentions that we do not want to fund them. He suggests that we should not have to do that because they would pay for it themselves. I agree there are occasions where I would like to see somebody who is able to afford to make a case to the government pay for it themself, but not everybody has the financial resources to do that.

If we use the member's scenario, the rich would have an opportunity to present to Parliament and an opportunity to make their voice heard, but the poor would be shunted aside because they would not have the money to be able to do it.

I do not think that is the kind of representation we want to encourage as a government. I bring these points up to the member opposite and suggest that he might want to re–evaluate and take a second look at some of the suggestions that he is making to the hon. finance minister.

**Mr. Silye:** Mr. Speaker, I find it extremely humorous that I have to re–evaluate. We have proposed for the last three years to balance the budget over a three–year period. It is through a combination of spending cuts and growth in the economy. If the hon. member opposite and all of his frontbench cabinet ministers would listen, the Reform Party policy is the following: We would cut about $18 billion, $19 billion, $20 billion over a three–year period in various ways, shapes and forms, listening to the people. When we get in we would expect those cuts, especially making those cuts in the first year of our mandate—which the party opposite did not have the political will to do—would help to stimulate the economy.

It is not $40 billion in one year. Is that very clear, Mr. Speaker? I know you understand it, but through you do the members understand that? It is not $40 billion in one year. It is $18 billion to $20 billion over three years and the rest comes from growth. I hope I have put that to rest and that I have been quite clear.

I am letting something affect me which as a professional football player I was told never to do. I am developing rabbit ears. While I am speaking to you, Mr. Speaker, I am hearing noises from the members opposite. We are not supposed to hear that. We are supposed to give our speeches and answer the questions. I am trying to do that.

Do we have any time left on this?

**The Acting Speaker (Mr. Kilger):** Just a little.

**Mr. Silye:** I will entertain another question if the members opposite have the courage to ask me.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I would like to ask one very short question. I still do not believe we sit in this Chamber to put all of our energy toward helping those people in our society who are advantaged. I believe that a good part of our responsibility is to make sure that those people and regions in our country that are disadvantaged from time to time get our attention and our support.

I would like to ask a very simple question of the member. Does he believe in that fundamental view, yes or no?

**Mr. Silye:** Mr. Speaker, yes I do. Not only do I, but there is a comment I would like to make with all respect to the hon. member who asked me that question. He has made a suggestion to his government and he has been making suggestions to the Canadian public for the last few years.

Nobody with any intelligence or any brains over on the government side even gives this man the time of day or the attention that his ideas and suggestions deserve. After we make the proper cuts that are required, after we find out what the government needs to spend, whether it is $100 billion or $80 billion, then get rid of the Income Tax Act and replace it with a flat tax, a proportional tax. Our tax is a little different than what he is proposing, but we would definitely support him. He is not being listened to. He must be about the most frustrated member. He is not a backbencher and he cannot get the attention of the government. I would be embarrassed to be sitting on that side of the House.

• (1320)

**The Acting Speaker (Mr. Kilger):** Far be it from me to fuel any more cynicism than there already is in this place at times, but some might say that was kind of a long question. In any event, resuming debate.

**Mrs. Diane Ablonczy (Calgary North, Ref.):** Mr. Speaker, for those Canadians who are watching this debate on television I would like to read again the motion that has been put forward today to the House for debate by the Reform Party:

> That this House requests the government to table a clear detailed plan to show how and when it intends to balance the budget including a clear statement of its vision of the role of the government in the economy in order for the people of Canada to debate the plan and vision.

There are a few things we need to point out about this process that Reform's motion suggests and proposes. One is about this whole question of public debate and consultation.

I have been rather amused to hear the government keep playing the violin about consultation, talking to the people, wanting Canadians to draw up a blueprint for reform of social programs, which is the area I am involved in the most, but not having anything to debate.

If we have a debate there is a proposal, a question, some sort of statement and people take the pro and the con and they debate it. How can we debate a nothing? There is no debate.

This government has made a fetish out of debating and consultations and put no meat on the table, put no clear proposals on the table, no question to be debated. It is just: "What would you do about social program reform? What would you do about budgets?". People are going to come from all over the map on that type of question.

What we have suggested in this motion today for debate is that the people of Canada be given a plan and a clear vision to debate. The government should come forward and say: "After talking to all of our experts, after examining all of the options, after examining all of the facts and figures and knowing all of the cost benefit of what we might do and what we might not do, we think we should do this. However, because this is a democracy, because we want to truly represent the people who are paying the bills and whose futures are going to be affected by this plan, we are now going to you the people and we are saying this is our best judgment about how we should attack and address this problem. But we want to know whether you are willing to support it, given all the information that we can make available to you and given sufficient time for you to examine our proposal".

That is what consultation is. It is not just: "What do you think?". We definitely need leadership from people in charge, a plan and a proposal and some direction, vision and purpose. We need to get that out for debate.

We do not have that from this government. That is one of the things that is sorely lacking. I am afraid quite frankly that the Canadian public will become very cynical, very disenchanted and very disrespectful of this whole business of consultation. It is going to become a dirty word. What it means is just pooling our ignorance, just "whatever you think". That is not good enough.

Consultation has to be focused on something concrete, something specific and something with some vision and a plan. Therefore I urge this government not to debate the notion of consultation with this kind of open ended, whatever you think, throw it at us. Let us show as parliamentarians and leaders, particularly those members who are representatives of the government party, that there is some leadership, a plan and a focus and that we are going somewhere so that we as Canadians can say: "Yes, we agree. We support that. It makes sense to us", or "No, we would like to see changes". At least we would know what we are talking about.

There has been a lot of talk about balancing the budget. Goodness knows our party has been talking about it for seven long years. They say seven is the perfect number. I hope it is because some time or other you would like to see this vision of a balanced budget coming to fruition.

• (1325)

We have been labelled as hackers and slashers, wanting to gut social programs, and all of the negative things that can be thrown at people who have one very sensible, very common sense proposal, and that is that we live within our means.

Why on earth would representatives, leaders and public officials want to borrow from the future? We do not want to mortgage our country. We do not want to lay the burden of our spending on our children. Why would that be such a difficult concept to accept? We do not know.

Why would it be such a difficult concept for the government to accept? We do know because it is still believed that governments can scoop up our national wealth and reallocate it in a way that is beneficial to Canadians. If the last 30 years have not demonstrated that that is a foolish and fallacious notion, then I do not know what will convince people.

If you had done something for 30 years, if you had scooped up billions and billions and billions of dollars of our national wealth and had it spent by bureaucrats, politicians and social engineers and then seen the mess we are in today, you would have thought that someone would stand up and say: "Gee, maybe this isn't working. Maybe we should do something different".

No, Mr. Speaker. What do we have from this government? Instead, the same old cant about "Well, maybe we just need different programs. Maybe we just need to spend it differently. Maybe we just need to do this or that or the other thing".

Maybe what we should do is run this country like any sensible business or household is run, that is living within its means, and letting people have the freedom to define their own futures, to look after themselves and their families, to help each other and their communities instead of this notion that somehow the state, mother government, the bureaucracy, the central planners, the wise men from the government can do everything.

It is not working and it is time that we acknowledge that. It is time that we started to say that we can do better in this country. We can do better than giving billions and billions of our hard earned dollars to government, politicians, bureaucrats, programs, and social engineering experiments that are simply making the situation worse.

When we talk about balancing budgets we are simply talking about taking the money that we have and using it with some common sense. We are talking about taking the money that we have and using it for what needs to be done, not what governments and bureaucracies and industries of different sorts think should be done with it.

This talk about balancing the budget is going to be just so much talk until something is done. I remember as a brand new, some would say very green, parliamentarian sitting in this chamber in February and listening to the finance minister. One thing that the finance minister said struck me very powerfully.

He said: "We are no longer going to nibble around the edges of our deficit." I thought, wow, this is great. What happened at the end of the day? He cut just over one billion from spending. A lot of people said that was by smoke and mirrors, sleight of hand and kind of mixing and matching the numbers. When you are spending $160 billion and you cut it just over a billion, is that not nibbling around the edges?

Canadians are sick and tired of governments and politicians who say one thing and do another. It is time that this government and this House got a grip on this country, started using some common sense, started using some principled behaviour in the way they manage this country and its wonderful resources, and started balancing their spending.

I urge this House to strongly support our motion today.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, like many thousands of Canadians I listened intently to this speech and I would like to use a western analogy: Where's the beef?

• (1330)

All we heard was an outright condemnation of the existence of every system in place, everything we have worked for in Canada. I have not heard any solutions or proposals from the Reform Party. They are actually condemning the consultation process which has been put into effect.

The opposition held a number of failed electronic town halls across Canada to try to gauge the population, but to its surprise a number of things came out of that. Often the population in Canada was in total disagreement with its own policies.

Reform members tell the Government of Canada that it is not doing its job. I have seen what happened on their side over the past few months. Every time they have tried to consult the population in their fashion they failed.

**Mrs. Ablonczy:** Mr. Speaker, I am very pleased to respond to those terrible distortions of what is happening with the Reform Party.

I am amused and in disbelief that member of government, a parliamentary secretary, would ask: "Where's the beef?". The government has had no beef for one full year after working away. It has no beef at all in its social program reform. It has no beef at all in a plan to balance the budget or even get it down to its feeble target of 3 per cent of GDP. I would have thought the parliamentary secretary would be standing up telling Canadian people where their beef is, not demanding that a third party supply him with the beef.

If the member wants to see some beef, perhaps he should look at the plans put forward by the Reform Party and tabled in the House. For the benefit of the government perhaps he should get a report on the consultations of our party with his finance minister to try to give him a bit of hand holding in coming up with a sensible plan to do what he is supposed to do. Those concrete proposals were put forward by a brand new third party of 52 green, untried MPs, and the government still says: "You tell us what to do".

This party is going to have a plan ready to give the Canadian people and to run the country in the proper way after the next election.

The member talked about town hall meetings. It is interesting to note that just last evening the Liberal Party imitated Reform's electronic town hall by trying to get out and consult with the people. We have led the way in public consultation and in innovative ways to get the true input of Canadian people. We are delighted the government is catching on that this needs to be done, but I certainly think it is inappropriate for the member opposite to suggest that somehow our electronic consultations are not working when his party is aping them or imitating them. That does not quite make sense to me.

I might add the consultations that have been done with the Canadian public have given valuable input not only to our party but to the governing party. I hope he is paying attention to what is being said in those consultations.

**Mr. Gagnon:** Mr. Speaker, the fact of the matter is that a lot of Canadians are not listening to the Reform Party. We have seen it in terms of the percentage of the popular vote it actually has according to recent polls.

I would also like to raise other things. How about regional economic development? That seems to be an area where the Reform appears to be really lacking. I am from eastern Canada. I am from a very rural part of Quebec. The fisheries industry has gone down. There is no longer any fish. We are having problems. We cannot find the various resources we once took for granted. What do we do?

What do we do with these people? What do we do with the 50,000 people of Newfoundland and the maritime provinces who were laid off? Do we just tell them to go away, it is their problem, there is no fish and we cannot do anything? After all this is a compassionate society, is it not? This is why the government has to make sure we address the issues and the needs of all Canadians, but especially those who are having a harder time than other Canadians.

To say that it is inappropriate for me to make comments, the fact is that we know the results of the Reform Party. People have

passed comments and judgments on the way your people look at policy and on the way you people look at governing Canada.

• (1335)

**The Acting Speaker (Mr. Kilger):** Order. I hate to intervene when anyone has the floor but again I must remind all colleagues on both sides of the House to make their interventions through the Speaker and not directly to one another.

I would ask the hon. parliamentary secretary to wind up his question so the member for Calgary North can give a short rebuttal.

**Mr. Gagnon:** Mr. Speaker, in summary, I am still waiting on this side for concrete proposals from the opposition instead of its usual rhetoric that everything done by the government never works.

**Mrs. Ablonczy:** Mr. Speaker, it always makes me a little concerned when I hear members say things like "you people". It is so easy to hang facile labels on people, to somehow suggest there is something not quite acceptable about a group. That is called bigotry and it is called labelling.

[*Translation*]

**Mr. Gagnon:** Mr. Speaker, I am not a bigot and I have never used those words in reference to the Reform Party. I was only alluding to the form and substance of that party, which is not necessarily reflected in its policy.

[*English*]

**The Acting Speaker (Mr. Kilger):** I was listening very attentively to the debate. Clearly the member used the word bigotry but in no way in any instance referred to anyone in the House being a bigot.

I would remind all of us to be conscious and selective in the words used in vigorous debate. I would ask the hon. member for Calgary North to conclude her remarks.

**Mrs. Ablonczy:** Mr. Speaker, I urge hon. members opposite to look at proposals, ideas and suggestions without labelling people or attacking people who make them and suggesting that somehow proposals are invalid because of where they are coming from.

It is not helpful to the debate. It does not help us work together as parliamentarians to solve the very real difficulties in the country. I suggest that we need to spend less time on attacking each other and more time on attacking the difficulties that face our country and coming up with concrete and positive solutions together.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I would like to begin by picking up on some of the remarks the member made in her speech. It is very important for Canadians and for the Reform Party to understand that the Government of Canada cannot be run in the same way as a business.

The Reform Party mentioned earlier that I have had a little business experience and I would like to deal with that. The fact is that I have had a little business experience. In business the preoccupation is with earnings per share per quarter, and profit and loss is the bottom line. The bottom line for the board of directors of the House is not profit. The bottom line that we are responsible for is the people of Canada.

My colleague comes from an eastern part of the country, a rural region. He spoke earlier with passion because he has been sent to this boardroom to speak for his people, not unlike my colleague, the Minister of Fisheries and Oceans, who has to come to the Chamber and speak for the people of his region who right now are going through a hell that very few of us in the House can imagine. If the House becomes preoccupied with cuts, cuts, cuts and eliminating the deficit entirely, who will speak for and who will look after Canadians who are truly disadvantaged and in real pain?

• (1340)

When General Motors decides the earnings per share per quarter are a little low it lays off 1,000, 2,000 or 10,000 people. Who picks those people up? It is the programs designed by the men and women in the Chamber. General Motors does not pick them up.

I had the privilege of working for two years with one of the most successful companies the country has ever produced, Magna International. Its latest report was published about two weeks ago. It made pretax about $400 million and paid about $140 million in taxes. Its net profit was about $240 million. In the middle to late seventies Magna was one of those companies the taxpayers of Canada supported. It developed computer aided design and computer aided manufacturing that allowed it to be one of the greatest companies in North America, one of the greatest exporters. Today that small company employs 20,000 Canadians.

In debate in the House on better public policy we cannot focus on just cuts, cuts, cuts; lean government; efficient government; and wasteful government. I am not going to support waste. No one in the House would. We all want lean government but we must have a caring government, as my colleague from New Brunswick said earlier. She said that it could not be a mean government.

What concerns me about the debate today is that there is not enough focus on growth. We have tried with concrete activities in the last year not to focus just on deficit and debt. We have also focused on growth.

We said in opposition and during the campaign that small business was the greatest hope for driving this economy and putting Canadians back to work. We said the 900,000 men and women who own and operate small businesses across the country represent our greatest hope for putting Canadians back to work. The government acted immediately in the industry committee to work on their greatest difficulty, which was access to capital. We heeded; we were told by them.

We consulted them in opposition and they said that if we became the government we had to have the courage to challenge the financial institutions because as small businesses they needed access to capital not just on the debt side but also on the equity side. We did that. I am happy to say that we did it with the help of the Reform Party and with the help of the Bloc. We recognize that. We acknowledge it publicly. It is concrete action that we took.

When members of the Reform Party stand today they should not be shy in acknowledging that a specific action has taken place that affects the business lives of about 300,000 small businessmen and women who employ possibly millions of Canadians. Do not just focus on the negative, do not just get caught up in opposing for the sake of opposing.

• (1345)

Since coming into power we have taken specific action on the information highway. In terms of that activity we are probably one of the most advanced countries in the world. It allows us to hook up, network and interact with companies all over the world. This is a tremendous aid to our export activity. The results are shown in the hard numbers. These are not Liberal numbers nor are they Government of Canada numbers. These numbers are acknowledged by independent agencies. Our exports have increased dramatically in the last year and no one can deny that.

We should be looking at those export numbers. We should be encouraging them even more because we cannot reduce the deficit and attack the debt unless we get those 1.5 million Canadians back to work. We are not going to leave them hanging. Jobs have been our central focus before the campaign, during the campaign and in our first year as government. The facts are that over 300,000 Canadians have been put back to work not by us directly but by assisting in creating some hope and an environment where we were serious and were focused on a direction.

I did not pull those numbers out of the air. They are real numbers reported by independent agencies. I am not standing here saying that we are satisfied with those numbers. We are not satisfied. How could we possibly be? However, progress has been made by this government in the first year of its mandate.

There is another thing this government has decided to push. The Prime Minister is in Vancouver today announcing our renewed focus on tourism activity in Canada. After the forestry and automotive sectors tourism is our greatest job creator. There is not one member of Parliament in this House who would stand up and speak against tourism.

We have taken action on tourism. From a piddling little budget of $13 million in the Department of Industry for tourism for all of Canada, the Prime Minister today will announce that we are going to make tourism a priority sector. He is announcing a further $50 million for partnerships with the private sector.

As every member in this House will stand up and say, tourism can generate a return in less than four or five months, once we get out there and market it and tell people to come to Canada. And it is not just for tourism, it is for trade shows and conventions, activity that will support other business opportunities. Sometimes people think tourism only concerns a family on holiday but it is more than that. Tourism is making sure we get our share of trade shows and conventions. This government has taken specific action and the Prime Minister will announce that commitment in Vancouver today.

I have been around this town. I have been an assistant to a prime minister and this is my second term as an MP. I watched the Tories when they governed here. I sincerely believe our government has been one of the most effective and hardest working governments I have ever seen in this town.

This government is making decisions almost at the speed of light. I know it is never fast enough and I will be the first one to admit that. There is a transition period and it takes a little bit of time. Many in the Reform Party are business people. You do not just go in and take over a business and make all your decisions in the first month or the first quarter. You have to get a handle on things. We have been able to get a handle on things very quickly. The numbers are starting to go in the right direction, but is it enough? It is never enough, but we will press on.

• (1350)

There is another thing I want to take on today in challenging the Reform Party on its motion. One of this government's commitments has been to support Canada's export activity. I cannot remember when another government has done so much as this one in terms of selling products and services abroad, especially in the Asia–Pacific region and the eastern European countries. We must be one of the most export oriented governments Canadians have ever seen.

In reflecting on one of the reasons that our exports have so dramatically improved, we can trace a lot of this export activity back to Pierre Trudeau's multiculturalism policy of 1971. I will explain this to the Reform Party. In 1971 when Pierre Trudeau stood in this House and said that we were going to have a policy in which no culture was less than or greater than another culture and we were going to encourage people to retain and promote their cultural heritage, this was something no other country in the world was doing. The United States had its melting pot theory and we did the opposite.

Today there are Canadians who have retained their language and culture of origin. We have a trading advantage into every part of the world because of that facility with language and culture that no other nation on earth has. A close analysis of our trading activities abroad will trace a lot of that success back to that multiculturalism policy, the very policy the Reform Party wants to strike and cut saying that it adds no asset value to Canada's balance sheet.

I suggest to member's opposite that multiculturalism is not about dancing, it is not about books. It is about turning Canadians into assets for Canada's balance sheet. Those people who have been able to use their links and their roots back to their country of origin have provided tremendous success for our exports side.

My point is that in this last nine months we have acted aggressively on some very specific issues. We appreciate the constructive tone of the members opposite during the debate over the last year. There have been times when they have not just opposed for the sake of opposing and the debate has been very constructive.

In many respects I am quite comfortable with some of the Reform Party's thrusts, especially in the area of tax reform. As I said earlier, there are only a few years to get things accomplished in this Chamber and the greatest catalyst for making things happen in this place is a constructive opposition.

I say sincerely that if it focuses, the Reform Party has a chance to act as a real catalyst for tax reform in Canada, which is the one thing we have not yet taken on. Even though we have accomplished all these other things in the last year I hope the Reform Party will not give up challenging us on tax reform.

• (1355)

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** I thank you very much, Mr. Speaker, for the opportunity to comment on the dissertation of the hon. member for Broadview—Greenwood this afternoon. I want to acknowledge the fact that this hon. member does have a very real interest in the debate today. It is not just a matter of his having to be here to speak about it. I am sure the hon. member is here because he wants to be here and he is doing what is in his heart to do.

During his dissertation the hon. member mentioned that when a company takes over a business it had better take its time to find out what is going on before doing anything. It is a good idea, if you can afford it. However it would seem to me in my experience that before a business decides to take over another business, those taking over the business have a pretty good idea of why they are doing it and what they intend to do.

The analogy of course is that this government in getting ready to accept power had nine years in the wilderness. It has had one year in power and what has it accomplished? I would suggest precious little. I am afraid I have to chalk up one more member of the Liberal olympic low hurdle team. If you make the hurdle low enough, anyone can stumble over it.

I ask the hon. member for Broadview—Greenwood should all social programs in Canada be based on want or need?

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, I am going to answer the last part of the member's question first. Of course we have always based any government expenditure on need and not on want. As I said earlier in my remarks, governance is not to be focused on those who are advantaged. It should be focused on those who are disadvantaged.

I challenge the member's approach to taking over a company. He mentioned that you have a pretty good idea of what you are taking over. Generally speaking that is the case but I can say to the member, and he knows this, that when we took over there was close to $7 billion on the deficit that had never been talked about during the election campaign.

If the member was—

**The Speaker:** Order. The hon. member will have more time after question period to share his views with the House.

[*Translation*]

It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[*Translation*]

### INFRASTRUCTURE PROGRAM

**Mr. Martin Cauchon (Outremont, Lib.):** Mr. Speaker, I want to point out that, one year ago today, this government received its mandate from Canadians. Since then, numerous commitments have been fulfilled, including the Canada–Quebec infrastructure program, which has resulted in the implementation of several projects.

Thanks to federal contributions of some $90 million, this year the city of Montreal was able to start urban infrastructure projects of over half a billion dollars. On top of improving the residents' quality of life, these infrastructure projects will result in the creation of some 4,800 new direct and indirect jobs, during the construction work itself as well as in the following months.

During the first year of its mandate, the government strived to create jobs, restore confidence and rebuild the credibility of the federal administration. Contrary to the Parti Quebecois government—

**The Speaker:** I am sorry to interrupt the hon. member. The hon. member for Verchères has the floor.

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## UNITED NATIONS

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, the United Nations is celebrating its fiftieth anniversary. The Bloc Quebecois takes this opportunity to highlight the work of this organization, which is a source of great hope for many peoples and nations.

Whether it is by helping developing countries, promoting human rights, or preserving peace in the world, the UN strengthens international unity, which is currently a major priority.

The United Nations is also at a crucial time in its history. It must undertake a major reform of its structure. It must also face new challenges, including the emergence of numerous new players with whom it will have to deal with from now on.

We present our sincere congratulations to the United Nations Association in Canada and to all Quebecers and Canadians who have helped build the UN and make it so respectable.

* * *

[*English*]

## REFORM PARTY

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, one year ago today Reform defied the odds, confounded our critics and thrilled our supporters as 52 of us were elected to the House of Commons.

Canadians saw in Reform the fresh wind of change. They saw men and women just like themselves who believed in what they believe in. Live within your means. Protect honest citizens. Listen to the people. In short, use common sense. That is exactly what they told us.

That is exactly what we intend to do. While the government wrestles with change and fights it every step of the way, we embrace it. While it takes tiny steps and as my hon. friend says, sets the hurdle very low, we stride ahead. While it breathes each other's air, we say: "Crack open the doors and let the fresh breeze of Reform blow in".

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## AMERICAN HELLENIC EDUCATIONAL PROGRESSIVE ASSOCIATION

**Mrs. Eleni Bakopanos (Saint–Denis, Lib.):** Mr. Speaker, I rise in the House today to thank the Canadian Order of the American Hellenic Educational Progressive Association or AHEPA for honouring the Prime Minister and the members of Parliament at a banquet last night.

At this event, the Prime Minister was presented with the order's highest honour, the Socrates Award, for promoting democratic ideals and institutions and exemplifying the finest traditions of leadership.

As a Canadian of Greek origin, I am proud of the honour that has been bestowed upon my Prime Minister and moreover, of the many accomplishments and contributions that AHEPA has made to Canadian society.

[*Translation*]

This association recognized the contribution made by the Prime Minister in his more than 30 years of public life. Canadians also recognized the merit of the Prime Minister by electing him one year ago today to lead this government.

Congratulations to the Prime Minister and to all Liberals.

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## STATUS OF WOMEN

**Mr. Ronald J. Duhamel (Saint–Boniface, Lib.):** Mr. Speaker, in the red book, the government indicated that it wanted to improve the standard of living of all men and women across Canada. Women and, of course, children.

In my riding we have an agency called Network which does advocacy work in economic, social, political, educational and cultural areas, for instance. It has some advice for the government, and I would like to quote: "The federal government has announced its intention to amend the Alimony Act; since the vast majority of alimony recipients are women and their children, these women call upon the minister responsible for the status of women to pressure the government to find an equitable solution that takes into consideration the real needs of women and children".

Mr. Speaker, I support this proposal.

* * *

[*English*]

## BREAST HEALTH AWARENESS MONTH

**Mrs. Sue Barnes (London West, Lib.):** Mr. Speaker, October 25 marks the first anniversary of our election victory. At that time we said that women's health issues would receive proper attention.

The proclamation of October as Breast Health Awareness Month will raise awareness of one important health issue for women. Each year more than 16,000 Canadian women develop breast cancer. It is the most common type of cancer in women and their leading cause of cancer death.

New initiatives on breast cancer have been implemented by the federal government in four main areas: funding for breast cancer research, support of prevention and screening activities, treatment and care, and support, advocacy and networking of women with breast cancer.

*S. O. 31*

Breast Health Information Day was successfully held in my riding of London West.

• (1405)

Events have been organized for this month across the country to help Canadian women and their families become better informed about the issue. I urge Canadians to attend and support these activities wherever they may be in Canada.

* * *

[*Translation*]

## COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, I am pleased and proud to draw the attention of the House to yesterday's results in the Saint–Jean by–election. The election has confirmed the mandate given to the sovereignist government of Quebec.

The election was mainly about the future of the Collège militaire royal de Saint–Jean. The verdict is clear, in that the people of Saint–Jean see the agreement initialled by the Minister of Intergovernmental Affairs and the former Quebec Minister of Education as a bare minimum.

The Government of Quebec therefore has a mandate to improve on this agreement by ensuring that the CMR maintains its military avocation. The federal government will have to go back to the drawing board, and we urge it to respect the decision of Saint–Jean's voters and reverse as soon as possible its decision to abandon officer training at the Collège militaire royal de Saint–Jean.

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[*English*]

## PARLIAMENTARY REFORM

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, the Liberal government has done nothing in the area of parliamentary reform in its first year in office. The thinnest part of the Liberal red ink book is a chapter on integrity and parliamentary reform. Once again the Liberals set low standards for themselves and failed to meet them.

The red ink book talked about giving MPs a greater role in drafting legislation. It has not happened. Whenever a committee begins to show any independence, government members are whipped into line.

The red ink book talked about giving committees greater influence over government spending. It has not happened. Committees could not reduce the estimates by one dollar.

The red ink book talked about parliamentary review of order in council appointments. That has not happened either.

The red ink book also promised to change the outrageous MP pension plan. In good Liberal fashion, they have talked about it, they have studied it, but they have done nothing. They will not even allow conscientious MPs to opt out.

That just about sums up the Liberal's first year: All talk, no action, just broken promises.

* * *

## CONFECTIONERY MANUFACTURERS ASSOCIATION

**Mr. Ian Murray (Lanark—Carleton, Lib.):** Mr. Speaker, I am honoured to speak today on this, the first anniversary of the Liberal Party's great election victory of 1993.

On a different note, as Hallowe'en approaches it is fitting that we pay tribute to the members of Canada's Confectionery Manufacturers Association. This industry has annual sales in excess of $1.4 billion, exports of more than $235 million and employs over 70,000 Canadians.

The confectionery caucus consists of MPs who have confectionery manufacturers in their ridings. We in Lanark—Carleton are very fortunate to have a Hershey Canada facility in Smiths Falls which employs over 600 people.

I encourage all my hon. colleagues, their staffs and families, to come trick or treating at our first annual "Hillowe'en" party tomorrow evening at the National Press Club.

On behalf of all attendees at this event the Confectionery Manufacturers Association of Canada will be making a donation to the Children's Wish Foundation.

* * *

[*Translation*]

## SMALL BUSINESS IN QUEBEC

**Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine, Lib.):** Mr. Speaker, this is Small Business Week, and I would like to draw the attention of the House to what is being done by the Federal Office of Regional Development—Quebec.

I want to take this opportunity to mention the strong commitment of the Government of Canada and, more specifically, of its various economic departments that are involved in job creation in Quebec. Federal departments are the key to, and the strategic allies of, growth in Quebec's small business sector.

The Federal Office for Regional Development will also give more assistance to businesses in developing and conquering new foreign markets, like China, for instance. Too bad Mr. Parizeau will not be on the trip!

We must realize that the Federal Office for Regional Development and the Government of Canada support the extraordinary culture of entrepreneurship that we find throughout Quebec and Canada as a whole.

The development and continued support of small businesses in Quebec is a priority for the Government of Canada.

* * *

[*English*]

## PIPELINES

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Mr. Speaker, earlier this year an application was put before the National Energy Board to convert an aging oil pipeline that runs across southwestern Ontario to natural gas. A number of my constituents of London—Middlesex appeared before a hearing of the NEB to object to the potential environmental risks this conversion posed to their land.

In hearings such as this, property owners are up against large companies with unlimited resources to prepare their applications. Affected landowners have no choice but to spend their own money to cover legal fees and expenses in preparation for an NEB hearing.

In all fairness, access to intervener funding would ensure a more level playing field. I urge the government to amend the National Energy Board Act to provide the NEB with the authority to award intervener funding to landowners who are forced to intervene in such proceedings.

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• (1410)

[*Translation*]

## BLOC QUEBECOIS

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, today marks the first anniversary of the Bloc Quebecois in the House of Commons.

**Some hon. members:** Hear, hear.

**Mr. Leroux (Shefford, BQ):** One year ago, Quebecers gave a resolutely sovereignist party a mandate to protect their interests at the federal level. This is precisely what we have done by fighting cigarette smuggling and obtaining a reduction of taxes, by opposing the closure of the military college in Saint–Jean, by supporting the poor, by questioning the government on the activities of the secret service, and by forcing it to repay the costs of the referendum on the Charlottetown accord.

From issues of defence and social justice to the need for responsible fiscal policies, the Bloc Quebecois has won battles on several fronts.

The message given to us by our voters is clear: Keep on going! This is exactly what we intend to do.

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[*English*]

## LIBERAL PARTY

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, as this freshman Liberal government prepares to graduate into its sophomore year, our party feels that the time has come for a pop quiz. Backbenchers, feel free to participate.

Have the Liberals eliminated the gold–plated MP pension plan?

**Some hon. members:** No.

**Mr. Silye:** Have the Liberals introduced long overdue social reform?

**Some hon. members:** No.

**Mr. Silye:** Have the Liberals cut spending?

**Some hon. members:** No.

**Mr. Silye:** Have the Liberals introduced legislation to make our streets safe?

**Some hon. members:** No.

**Mr. Silye:** Have the Liberals ended patronage appointments?

**Some hon. members:** No.

**Mr. Silye:** Have the Liberals ruled out once and for all the taxation of personal RRSPs?

**Some hon. members:** No.

**Mr. Silye:** Have the Liberals cracked down on those abusing our immigration system?

**Some hon. members:** No.

**Mr. Silye:** Therefore, should the Liberal government not listen more to Reformers' suggestions?

**Some hon. members:** Yes.

**Some hon. members:** No.

**Mr. Silye:** Mr. Speaker, for the benefit of the government, the current national debt clock is $535,664,978—

**The Speaker:** I think we got into the question and answer period a little bit early.

* * *

## LIBERAL PARTY

**Mr. John Solomon (Regina—Lumsden, N.D.P.):** Mr. Speaker, on this important date, Canadians have a right to ask: Is today

the first anniversary of the Liberal government or is it really the tenth anniversary of the Mulroney Conservative government?

Why? The Tory Prime Minister put his friends in the Senate. The Liberal Prime Minister is putting his friends in the Senate. The Tories ran an annual deficit of $40 billion a year. The Liberals, the same deal. The wealthy friends of the Conservatives received tax breaks through family trusts. The wealthy friends of the Liberals receive the same deal. Tens of thousands of profitable corporations paid no profit tax but found lots of cash to give to the Tory Party and to the Liberal Party.

Under the Tories, prescription drug prices have risen 12 per cent. Under Liberals they have risen 12 per cent. The Tories cut UI benefits. The Liberals have cut deeper the UI benefits. Liberals, Tories, same old stories. Mr. Speaker, can you see the difference? I cannot.

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## INFRASTRUCTURE PROGRAM

**Mr. David Iftody (Provencher, Lib.):** Mr. Speaker, to the Prime Minister and my hon. colleagues, one year ago today we were elected to serve Canadians.

During this year the federal government has kept its promise of good government. One of the red book promises, the infrastructure program, has paved the way to considerable investment and job creation in my riding of Provencher.

This year I have been to Pine Falls, Steinbach, St. Agathe, St. Malo and Emerson in my riding, to name a few of the 40 communities I serve. Throughout this time the people of Provencher, even those people who did not support us, have had many good things to say about our government and our Prime Minister.

I want to take this opportunity to thank the good people of Provencher for their support. I look forward to seeing and serving them again in the upcoming year.

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[*Translation*]

## LIBERAL PARTY

**Mr. Nick Discepola (Vaudreuil, Lib.):** Mr. Speaker, I am proud to rise in this House to mark the first anniversary of the Liberal government. The year has been filled with many important achievements.

There is not enough time to list all the initiatives of this government, particularly in Quebec. More than 20,000 jobs were created, thanks to the national infrastructure program. The Secretariat of the Commission for Environmental Co–operation in North America was also set up in Montreal. The issue of cigarette smuggling and the future of the military college in Saint–Jean were settled in a matter of months. Those are just a few of this government's achievements.

• (1415)

I especially want to congratulate our Prime Minister, the Right Honourable Jean Chrétien. Thanks to his leadership and integrity, Canadians are regaining confidence. I also wish to thank my family for its patience and support. Hon. members are all aware of the sacrifices made by their spouses and children so that they can have the honour of serving this great country of ours.

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[*English*]

## NATIONAL PARKS

**Mrs. Elsie Wayne (Saint John, P.C.):** Mr. Speaker, I do not know if I am supposed to thank the people in Saint John for my being here or not. Anyway I am here.

Recently it was brought to the attention of the House that the federal government plans to switch admission fees on entrances to Canada's national parks from vehicles to individuals. That means if there are five individuals in a car each one will have to pay to enter the national park. The fact is that these new user fees can actually be viewed as nothing more than a deceptive tax increase.

The Liberal government should change course from proposed fee hikes and adopt a straight shooting approach to cutting the deficit, not the sneaky little approach of back door tax increases.

The premier of the province of New Brunswick has quietly increased over 1,000 different fees and taxes since 1987. The people of New Brunswick have caught on. I urge the government to learn from others and reverse this new tax on admissions to our national parks.

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# ORAL QUESTION PERIOD

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, yesterday the Official Opposition asked the government many questions about the illegal espionage activities attributed to the CSE in recent revelations on the CBC and from former spy Mike Frost. The government systematically hides behind the CSE's obligation to obey the law.

Does the Deputy Prime Minister not admit that no law prevents a foreign power from intercepting telephone calls from Canada and that no law then prevents the CSE from picking up the information thus collected, so that the CSE can legally do indirectly what it cannot do directly?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, as the Prime Minister and the Deputy Prime Minister have already

said, I must assure the House that the CSE is not authorized to target Canadians, including political parties.

[*English*]

With respect to the specific aspect of the hon. member's question, we do not believe it is in the national interest to talk about the administration and the methods employed by CSE.

[*Translation*]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, things are becoming more confused instead of clearer. The minister refuses to confirm that foreign governments spy for Canada and in the same breath, he says that the CSE does not spy on Canadians. So how can the minister explain that the CSE has a large data bank with information on thousands of Canadians?

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, we have said a number of times that the Privacy Act has to be obeyed by all Canadian agencies and that includes the CSE.

The databank at the CSE is exempt from the provisions of the Privacy Act. That does not obviate the fact that all activities of the Communications Security Establishment follow the law explicitly. This has been affirmed by the former privacy commissioner, Mr. John Grace.

At the present time the privacy commissioner is conducting an ongoing audit to update him and his agency with respect to the activities of that particular organization as it applies to the Privacy Act.

[*Translation*]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I did hear the minister say that an audit is under way in the CSE to determine what the CSE did in recent years. If I understood the answer correctly, I would like the minister to confirm it for me and to tell us at the same time when this audit report will be released in the House of Commons?

• (1420)

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I believe the privacy commissioner is an officer of the House or reports through the statute to the House of Commons. There was an audit done by the former privacy commissioner. It is done every number of years.

There is one that is ongoing. In the fullness of time I assume the present privacy commissioner will have the same opinion the former privacy commissioner, Mr. Grace, had which is that the operations of the CSE fully conform to the privacy act.

[*Translation*]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, on the same subject. Serious allegations have been made about the existence of a section called "French Problem" within the CSE. In response to the questions the opposition has been asking in the past few days, the government hides behind official secrecy and flatly refuses to answer, saying that the CSE reports only to the Prime Minister.

Can the Minister of National Defence at least tell us if the government checked if a section called "French Problem" existed in the past?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I stated in the House that it is not our intention to discuss recent operations of the CSE.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, since the Office of the Prime Minister is the only link between the people targeted by a so–called "French Problem" section and the CSE, if the government did not look into this, who can find out and reassure people that they were not spied on?

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the Prime Minister, the Deputy Prime Minister and I, as the responsible minister for the operations of the CSE, have given those assurances.

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## THE ECONOMY

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, I point out that this is the first anniversary of the election of 52 Reformers to Parliament, which is worth celebrating.

**Some hon. members:** Hear, hear.

**Mr. Manning:** On this day last year the federal debt stood at $489 billion. After one year of so–called Liberal restraint the debt now stands at $535 billion, an increase of $46 billion. For all the talk of deficit reduction and spending restraint the government has put Canada deeper in debt than it has ever been before.

My question is: Will the Deputy Prime Minister admit that the government has wasted this last year in its mandate by not acting vigorously enough to reduce spending? Will the government commit to a more vigorous spending reduction program in its second year before it is too late?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Government of Canada was elected one year ago today with an overwhelming mandate to create jobs.

**Some hon. members:** Hear, hear.

**Ms. Copps:** I am happy to report that we have delivered on that promise of jobs: 327,000 new jobs created since February; manufacturing shipments, the strongest six–month growth since the start of the survey in 1981; real growth, 6.4 per cent, far outstripping the performance of any other of our G–7 partners; and business confidence, up to its highest level since 1979.

**Some hon. members:** More, more.

**The Speaker:** I think this is going to be a long question period.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the Deputy Prime Minister labours under a delusion with respect to job creation. Until recently Liberals have claimed that job creation is primarily stimulated by government spending. Now the finance minister and others are saying what Reform has been saying all along, that debt, taxes and government overspending kill jobs and that deficit reduction and lower taxes are what stimulates private sector job creation.

• (1425)

Will the Deputy Prime Minister now admit that by creating $6 billion of additional federal, provincial and municipal debt through the federal infrastructure program the government has killed more long term jobs than it created? Will the government commit to a Reform job strategy based on deficit and tax reduction?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister stated in the House and repeated it again yesterday to all Canadians that he has a reasoned, reasonable approach to deficit reduction.

What he did say yesterday and what we want to repeat in the House is that if we followed the leader of the third party's recipe for deficit reduction it would drive the country back into the recession the Liberal Party is finally pulling us out of.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, we told members of the government months ago that social programs had to be overhauled. Now they are staggering in that direction. We told them that immigration levels were too high. Now they are talking about reduction. We told them that the spending cuts in the February budget were not sufficient and now they are making repairs.

The government has been forced toward Reform positions in the social and fiscal areas. Can we now count on the Liberal government to steal the rest of our platform, in particular our democratic reforms such as free votes, referendums, citizen initiatives and recall?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the only thing that has been staggering in the last 12 months has been the staggering number of people who have fled the Reform Party because they finally see the Liberal Party as the party that delivers.

If we talk about productivity, as a result of the government the unit labour costs show the best performance in 40 years for Canadian products. We have the highest rate of growth in employment and the strongest growth in output of any of the G–7 countries.

The unemployment rate has fallen from 11.4 per cent to 10.1 per cent. This is not strong enough and we want to keep going. We think the infrastructure program has contributed to the improvement in the confidence of Canadians.

* * *

[*Translation*]

## JOB CREATION

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, my question is for the Deputy Prime Minister.

A year after the election of the Liberal government, we have come to realize that its employment strategy simply amounts to setting up an infrastructure program that creates only temporary jobs, reducing access to unemployment insurance and passively benefits from the economic recovery. Considering population growth, we are still over 800,000 jobs short of the pre–recession level.

Does the Deputy Prime Minister realize that her government's approach to job creation is coercive, reducing access to unemployment insurance and UI benefits and to forcing the unemployed to re–enter the labour market and try to find jobs which simply do not exist?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I thank the hon. member for her question. It gives me an opportunity to say, I am sure with some great satisfaction, to her and her constituents that as a result of the efforts of the government the unemployment rate in her riding has gone from 12.1 per cent down to 9 per cent.

If we keep it up, at that rate she will have no unemployment by the end of our term.

[*Translation*]

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, how can the government be so smug and proud when there are still

over a million unemployed workers in Canada, not counting all those who have precarious, very short term jobs?

• (1430)

How can the Deputy Prime Minister pretend that her government has restored hope and dignity for the unemployed, when in Quebec alone, 22,000 unemployed workers had to resort to welfare after the 1993 cuts in unemployment insurance, and since then, her government has never stopped forcing those who are no longer eligible for UI benefits to live on welfare?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, in response to that question I want to pose this one: How can that member make the statement she just did when she and her party continually oppose every effort of this government to invest in better training, better job creation, better development? They are against any attempt to reform. All they want to do is keep people on unemployment insurance, keep people on benefits. They do not want people to have jobs. That is their position.

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## IMMIGRATION

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, today the *Financial Post* reported on a memo from the government's finance department which concluded that this government's immigration policies are worsening the unemployment crisis. It said that current levels which are twice as high as any other nation on earth are not creating jobs but creating competition for them.

Will the minister of immigration heed the conclusions of the finance department and dramatically reduce immigration levels?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, some of the thoughts contained in that report are by no means new. We heard those representations being made during the eight month consultation. Next Tuesday the government will be presenting its plan for 1995 in large measure based on the things we have heard and discussed with Canadians. I ask the member to wait until Tuesday and render an opinion then.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, for a year now this minister has been telling Canadians that high immigration levels are okay, even when unemployment is high. We have said there is a level at which immigration hurts the economy and the finance department agrees with us.

Will the minister wake up to the facts, show some political will and cut the numbers? Will he do what is right for Canadians and not just for the immigration industry?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I am not sure the member read the entire document. To say that it agrees entirely with Reform Party policy is exaggerating one great leap.

Immigration generally has been a positive force for Canada. On page 74 of the red book it is stated very clearly: "We will continue to support an immigration policy that balances our demographic and economic need with our capacity to settle and absorb immigrants". In other words it means a balanced program which we do have and will continue to have after November 1.

* * *

[*Translation*]

## TAXATION

**Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ):** Mr. Speaker, my question is directed to the Minister of Finance.

During the last days of the federal election campaign, the Prime Minister promised to reduce the deficit without raising the taxes of Canadians during the first two years of his mandate.

Last week, however, in another about–face by this government, the Prime Minister referred in no uncertain terms to the possibility of raising taxes, contrary to his campaign promise.

How can the Minister of Finance account for the fact that exactly one year after it came to power, his government has already reneged on its commitment not to raise taxes and that the minister himself is feeding speculation about the possibility that his government will tax RRSPs?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the Prime Minister has said repeatedly, in no uncertain terms and as recently as yesterday, that we are firmly committed to bringing the deficit down to $25 billion in 1996–97.

The Prime Minister also said that we wanted to proceed mainly by cutting spending, but if we had to change this, we were prepared to do so because the main objective is to avoid the burden of higher interest rates.

The Prime Minister also made it very clear that he wanted to close tax loopholes, a process we started in the last budget.

• (1435)

**Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ):** Mr. Speaker, the government talks about eliminating tax loopholes, but not the right ones, only those that benefit people on middle

incomes, not those that benefit the very wealthy Canadian taxpayers that the minister is protecting in his budget and his pre–budget consultations.

Why will the Minister of Finance not admit that you do not change the rules halfway through the game and that he will have to stop these damaging speculations by telling the House quite clearly that he will not tax RRSPs?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec, Lib.):** Mr. Speaker, I have said repeatedly that I want the consultation process referred to by the hon. member to be successful, and in that case, the Minister of Finance cannot afford to comment on specific suggestions.

The hon. member said that we were attacking the middle class. In fact, in the last Budget we eliminated flip flop deals by large corporations and multinationals. We eliminated the preferential tax rate for large corporations. We eliminated the $100,000 capital gains exemption. And we introduced new rules for foreign affiliates. We made promises and we acted on them.

* * *

[*English*]

## INFRASTRUCTURE PROGRAM

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, in the past year boccie courts, the Saddledome and a canoe hall of fame have all been funded under the guise of infrastructure. By the minister's own figures we have only seen 7,000 long term jobs created. However in the same time and in spite of government interference the private sector has created over 300,000 long term jobs.

When will the minister admit that his program has not lived up to the promise of jobs, jobs, jobs but indeed has dug the debt hole deeper?

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, we have delivered on this program as we promised in the election campaign that ended a year ago today with our successful election.

We said we would respond to local needs and local priorities as established by municipalities. That is exactly what we have done. We have done it right across the country with the support of all the provinces, and do you know what? We have done it on reallocation, not on increasing the debt of this government. Most of those municipalities and provinces have done the same thing.

In the course of this program we have put 100,000 Canadians back to work. We anticipated most of these projects would put people to work on construction in the short term but they would also create spin–off jobs which will put still another 100,000 Canadians back to work.

With over 7,000 permanent jobs that have been created so far, this program has been a great success.

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, 100,000 short term jobs means one day or one week for some workers. Yet every Canadian family is paying $800 for this program.

How does the minister justify those few jobs at such a high cost to our taxpayers?

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I suspect that many of these jobs are going to be longer term than the member's job.

When it came to the projects in his riding of Simcoe Centre, which included an arena and a library, the hon. member not once protested any of them. The member was sent memorandums asking to respond if he had any disagreement. He responded to absolutely none. He supports all the projects in his area.

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[*Translation*]

## SOCIAL PROGRAMS

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, my question is for the Minister of Finance. For the past year, in his efforts to cut spending, the minister has targeted unemployment insurance benefits and transfer payments to the provinces for social assistance, post–secondary education and health. The federal share of these social programs amounts to $32.6 billion.

Why is the Minister of Finance making cuts in these social programs which represent $32.6 billion when it could instead reduce its operating expenditures, business subsidies and further reduce the defence budget which all together amount to $34.5 billion?

• (1440)

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, I beg to differ. The member is very precise, but unfortunately inaccurate.

In the last budget, we cut government operating expenditures, we cut business subsidies, but we did not cut transfer payments to the provinces. We gave notice to the provinces that in 1996–97 we were going to freeze transfer payments at the 1993–94 level. I must say that the provinces were really thankful to be given ample warning.

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, the Minister of Finance seems to be saying that the provinces were really happy to learn that there were going to be cuts.

After one year in power, does the Minister of Finance recognize that he has reached a dead–end with respect to the election promise to do away with the GST, since several provinces are refusing to go along with his proposal to create a 12 per cent national sales tax which is nothing more than the GST in disguise?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, indeed, the provinces were very happy to be treated with some decency for the first time in more than ten years and to be given ample warning, contrary to the previous government which just made cuts without any warning.

I must add that we have been having extremely productive discussions with the provinces on the GST and that we will continue to do so, since, unlike the Bloc Quebecois, we want this country to work.

* * *

[*English*]

## FIREARMS

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, my question is directed to the Minister of Justice.

Port Perry, my home town, was the sight of a gruesome bank robbery this last Thursday. Three police officers and two civilians were shot.

Port Perry and Durham want to know if the minister is going to require mandatory sentencing for the possession of illegal firearms.

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as the hon. member will know, there are already sections in the code that create offences in relation to illegal firearms, some of which provide for extended maximum sentences. The member will also know that the whole firearms policy has been under review by this government intensively in recent weeks.

I will be introducing proposals in the coming weeks before the House of Commons that will deal among other things with illegal firearms entering Canada and the sanctions in the criminal justice system for those persons who use firearms in the commission of crimes.

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## COMMITTEES OF THE HOUSE

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, my question is for the finance minister about a promise that he has not kept.

In the red ink book on page 92 it states that committees will be given greater influence over government expenditures and individual members of Parliament will be involved in an effective prebudget consultation process.

Since the minister is a co–author of this red ink book, will the finance minister keep his promise and allow committee chairs to request that officials—

**The Speaker:** Order. The question itself and the way it is being phrased now, the government is not responsible for committees. Perhaps the member could rephrase his question.

**Mr. Silye:** Would the Minister of Finance agree to allow members, if requested by motion of the opposition parties or by motion of the party opposite of the government, to have department officials appear at a committee to review—

**The Speaker:** I think I will pass this until tomorrow.

* * *

[*Translation*]

## MANPOWER TRAINING

**Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister claims that the Government of Quebec does not understand the federal proposal for manpower training. Indeed, it is the minister himself who does not want to understand and who refuses to accept the Quebec consensus expressed at the employment forum which brought together all stakeholders from the business, educational and labour communities in 1989.

Does the minister not realize that what he is offering Quebec perpetrates confusion between the federal and provincial governments and in no way reflects the general consensus in Quebec? Does the minister realize that he is the one who does not understand Quebec?

• (1445)

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, last week, as you know, my colleague signed an agreement with the Mohawk band to have them become partners in setting priorities for human resource development. It was not a question of transferring funds but helping them to set priorities. The Quebec minister responded by saying: "Why can Quebec not have the same thing?"

I want to point out that we have already offered the province of Quebec much more in terms of responsibility for managing human resource programs than we have offered to all the other provinces. We said to all the provinces that we would invite them to take planning responsibility for close to 60 per cent of federal manpower expenditures, that we would transfer the full responsibility for deciding on training programs under the CEGEPs and community colleges, that we would ask the provinces to take the responsibility of setting up a single window, guichet unique, and we would also look at sitting down with provinces and talking about transferring certain federal pro-

grams as they relate to education, such as stay in school programs and other areas.

In other words, the offer that we made to the province of Quebec, as we made to all the provinces, goes way beyond the proposals that have been made to the particular Indian bands across the country.

I hope now that we have clarified that matter we will get a positive, co–operative response from the Government of Quebec.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ):** Mr. Speaker, the minister is confusing this with his evaluation of the administrative agreements which he proposed to 10 native Indian groups. According to former minister André Bourbeau's estimate, his stubborn refusal to transfer federal responsibilities will waste more than $750 million in the next three years and maintain the present confusion which penalizes Quebec's unemployed. Is he aware of that?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I am afraid I am not the one who caused the confusion. We made it very clear. My deputy minister has written to his counterpart in the Government of Quebec again underlining that we are quite anxious, willing and open to sit down with the Government of Quebec and the governments of other provinces to negotiate based upon the proposal that we have submitted for manpower training just as we are prepared to co–operate on helping to support strategic initiatives, helping to support new child care initiatives and helping to support a changeover so that we can develop a way of assisting on the very active and very useful program in Quebec, APPORT, which is a social assistance program.

In all these cases we have indicated time and again that we are prepared to co–operate with the province of Quebec to find new ways of solving problems. That stands in stark contrast to members of the opposition whose only position is to defend the status quo. They do not want to make any changes at all. We are the party and the government that wants to make the changes. It is about time they joined in.

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## THE ECONOMY

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, as we have heard, today marks the first anniversary of the election of the 35th Parliament. While we have seen nothing but foot dragging on social reform, deficit reduction and replacement of the GST, we have seen some minor promises upheld.

My question to the Deputy Prime Minister is why has the government decided to put funding of special interest groups by way of reinstating the court challenges program ahead of much more urgent and wide ranging promises such as meaningful deficit reduction?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, probably the greatest legacy of the first year of the Prime Minister's government is that Canadians are starting to believe in the public process again.

Part of that public process means living up to your promises. The decision of the Government of Canada to reinstate the court challenges funding was a direct result of a promise made not only in the red book but a direct promise by the Prime Minister because of his belief that it is important that every Canadian have the right to have their rights defended under the charter.

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, last night the Prime Minister stated he wanted people's money to be used productively.

• (1450)

Will the Deputy Prime Minister explain how spending tax dollars to sue the government thus triggering the spending of even more taxpayers' money can be described as productive?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Liberal Party and the Government of Canada believe in human rights and fairness. We think that the court challenges program at a cost of approximately $3 million annually is a great investment in the right of Canadians to have their rights respected under the law.

The court challenges program is a good investment. It is a smart investment. It is a wise use of Canadian taxpayer dollars.

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## TECHNOLOGY

**Mr. Gar Knutson (Elgin—Norfolk, Lib.):** Mr. Speaker, I congratulate the President of the Treasury Board who last night delivered the keynote address to open Technology in Government Week.

Technology costs money. How is the President of the Treasury Board going to make use of information technology to improve services to the Canadian public and at the same time reduce the cost of these services to the taxpayer?

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I thank the hon. member for his question. The real credit for Technology in Government Week goes to the many public servants who are on the leading edge of bringing information technology to better use for the benefit of the taxpayers of this country.

Just a few months ago I released a report called *The Blueprint for Using Information Technology in Renewing Government Services* with a vision of making government services more affordable, more accessible and more responsive to the needs of the public.

There are a number of flagship projects in this regard that we are going to carry out. Indeed, it is not only going to reduce the cost of government but it is going to improve the services that are provided to the taxpayers of this country.

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[*Translation*]

## COPYRIGHT

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, my question is for the Minister of Canadian Heritage. The minister recently indicated that, in all likelihood, the bill on the second phase of the copyright reform will not be tabled before the beginning of next year. Yet, that reform has been long awaited, over six years in fact.

Will the Minister of Canadian Heritage confirm that the tabling of this bill is postponed to 1995, while he had pledged to present that legislation before the Christmas recess, and will he tell us why?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the hon. member is confusing two different things: The basic decisions regarding the object of the bill which, as I said, will be made by the Canadian government before the end of this fall, and the actual tabling of the bill, which requires a substantial amount of work by the Department of Justice.

I did not contradict myself. We are on schedule. We are on course and we are following our timetable.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, are we to understand that the postponement of the copyright bill is due to the struggle between the Minister of Canadian Heritage and his colleague, the Minister of Industry, regarding the issue of neighbouring rights?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, there is no postponement. The hon. member misunderstood what I said. I think that she wants to look like she is trying to protect the artists. But I will tell you: She can try all she wants, people will not be fooled.

* * *

[*English*]

## JUSTICE

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, my question is for the Minister of Justice.

For a year now Canadians have been pleading with this government to make changes to the criminal justice system. Canadians want a tougher Young Offenders Act, they want serious offenders off the street and behind bars and they desperately want a life sentence to mean life.

• (1455)

Will the Minister of Justice reassure the people of Canada and tell this House today that tougher and more certain sentences will be put into place for all criminals and for all age groups?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, in the year that we have been here and in connection with the justice agenda we have not only introduced specific changes to the Young Offenders Act which are now before the committee on which he makes a very constructive contribution, we have also asked that committee to undertake a complete review of the Young Offenders Act to ensure that we still have the best model of juvenile justice in this country.

In addition to that we have introduced comprehensive changes, improvements to the sentencing provisions of the Criminal Code and we have passed through this House of Commons an omnibus amendment to the Criminal Code with over 100 changes to modernize and make criminal law more effective.

Beyond that response through legislation with my colleague, the Solicitor General, this government has also created the national crime prevention council recognizing that crime prevention is a very important part of making our communities safer. That balanced approach is succeeding and is going to succeed further in making our communities safer.

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, the minister speaks of making changes. How about Allan Kinsella and Serge Damien who escaped from the Bath institution who should have been held in a maximum security prison and should not even have had a hope of parole for 25 years?

Will the minister tell this House whether or not he would support the repeal of section 745 of the Criminal Code and therefore make life indeed life?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I made my position clear some months ago.

The government's position on section 745 is crystal clear. We introduced an amendment to section 745 to provide plainly that whenever an application is brought under that section that the court is obligated to hear from the families of the victims.

That is the change we propose in section 745. It is contained in Bill C–41 and that is the policy of this government.

## HUMAN RIGHTS

**Ms. Maria Minna (Beaches—Woodbine, Lib.):** Mr. Speaker, my question is for the Minister of Foreign Affairs concerning his meeting with the home affairs minister for India tomorrow, Wednesday, October 26.

There are many Canadians who are concerned about human rights in India. The human rights report and the Asia watch report have both detailed violations.

Does the minister intend to discuss these with the home affairs minister for India when he meets with him tomorrow?

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, I congratulate the hon. member for monitoring human rights violations, not only in India. I know she is doing this in other parts of the globe.

Members of this House will be happy to know that yes, the Minister of Foreign Affairs will be addressing this with the minister visiting Canada. Canada is taking advantage of its good relations with India to make continual representations to that country regarding our concern about the human rights violations.

At noon today members of the New Democratic Party, the Reform Party, the Liberal Party and the Senate met with a representative from Amnesty International concerning these human rights violations. I think all members will be happy to know that Canada has made representations for Amnesty International to visit other parts of India, not only Bombay, but Punjab, Kashmir, et cetera.

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## BILL C–91

**Hon. Audrey McLaughlin (Yukon, NDP):** Mr. Speaker, my question is for the Minister of Health. Last week the Prime Minister opened the National Health Forum by stating: "Canada's health care costs must be cut or medicare could be destroyed". Today we saw a study that showed that drug prices have increased 11.6 per cent.

What is the minister's position? In opposition it was opposition to Bill C–91 which hit the consumer with increased drug prices for provinces and territories and the federal health care plans. Does this Minister of Health want to save Canada's health care plan and if so, will her government rescind Bill C–91?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, there were a number of questions there. I do not know which one to start with.

First, the Prime Minister stated that we must preserve the principles of medicare that were put in place by the federal government many years ago. We have to effectively and efficiently spend our dollars in order to guarantee those principles.

• (1500)

Second, the report that came out today definitely concerns the increase in terms of usage of newer drugs, not necessarily just an increase in prices.

Again, we must look to ensure that the drugs we use are the most cost effective.

**The Speaker:** Order. I would hope that we will continue as we have since the beginning of this Parliament and have the courtesy of not only listening to the question, but also having the courtesy to listen to the answers.

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## POINTS OF ORDER

ADMISSIBILITY OF QUESTION

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I rise on a point of order under Standing Order 37. I believe the question I was asking was fully in order. Yet the Speaker—

**The Speaker:** Order. I would advise my hon. colleague with all respect that in the view of the Chair the question he posed was out of order. I asked him to rephrase it.

If the hon. member would care to pursue this he can either address himself to the clerks for the specific rule in question or I would invite him to speak with me in my chambers. This point is closed.

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# GOVERNMENT ORDERS

## SUPPLY

ALLOTTED DAY—THE BUDGET

The House resumed consideration of the motion.

**The Acting Speaker (Mr. Kilger):** The Parliamentary Secretary to the Minister of Industry had approximately six minutes left on questions and comments.

Are there any further questions or comments for the parliamentary secretary?

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I appreciate the fact that you have acknowledged I had some time left in answering the question from the Reform Party.

The question had to do with the comparison the Reform Party tries to make quite often that running a government is very much like running a business. Of course I do not agree that running the Government of Canada is like running a business at all.

The member said we should have had a pretty good idea when we took power about what was happening with the books and records of the country. The member knows that when we took

over the books and records, there was close to a seven or eight billion dollar difference in the real numbers.

I really believe the Reform Party should acknowledge that. It should likewise acknowledge that our very aggressive handling of the deficit and the debt is something for which we should be given some marks.

• (1505)

[*Translation*]

**Mr. Richard Bélisle (La Prairie, BQ):** Mr. Speaker, I rise today to speak to the motion tabled in this House by my colleague from Saint–Albert. The hon. member for Saint–Albert sits on the Public Accounts Committee, which I chair, and I want to let him know that I share his point of view on the sorry state of our public finances and on the finance minister's inability to resolve Canada's public finance crisis.

I also agree with him that the government should table in this House a detailed plan to show how it intends to balance the budget as well as its action plan schedule. The Bloc Quebecois, however, does not agree with the ways advocated by the Reform Party to balance the budget. The Bloc Quebecois does not share Reform members' vision of the role government should play in the economy either.

In our opinion, the government must not only create a healthy competitive climate encouraging people to develop skills and do their best, but also protect society's poorest and most vulnerable and help them get out of the vicious circle of poverty and dependency. Where are we as taxpayers today, a year to the day after the election of a Liberal government? The two papers tabled last week by the Minister of Finance simply note the deterioration of Canada's public finances.

The minister merely describes the state of government expenditures and revenue without proposing any vigorous action plan to correct the situation and substantially reduce the deficit. Yet, the red book, which all ministers misquote almost daily to save face in response to the questions asked by the Official Opposition during Question Period, contains many promises, and I quote: "The basic elements of our approach include fiscal responsibility and fairness, deficit reduction, and a balanced and stable monetary policy".

The deficit forecast for this year is still close to $40 billion, more precisely $39.7 billion, while the forecast for next year is $32.7 billion. Even if the Liberal government met its target of reducing the deficit to $25 billion in 1996 and 1997, it would add $97.4 billion, almost $100 billion, to the $500 billion–plus debt already accumulated.

Even if the government met its goal of 3 per cent of GDP in 1996–97, it would still raise the debt to over $600 billion. Is that the deficit reduction promised by the Liberals in the red book? It is more and more unlikely that the government will succeed in keeping the deficit below the $40 billion level this year and below $33 billion next year.

The government recognizes at last, but a bit late, that the increase in interest rates, which was partly offset by the recovery this year, will entail additional cuts of up to $4.7 billion in 1995–96 and $9 billion the following year if it is to reach its objective of a deficit of no more than 3 per cent of the GDP before the end of its term.

Can we honestly talk about fiscal responsibility as the government promised in the red book? According to us, it looks more like chronic irresponsibility. In such a context, the red book looks more and more like a jumble of wishful thinking prepared just to seduce some disillusioned constituents throughout the election campaign. In that same red book, they also talked about fiscal equity.

Well, let us talk about it. The government's budgetary approach is based on the social security reform, that is on cutbacks in transfers to provinces and in social programs that will merely penalize welfare recipients and students, the unemployed and the elderly. The overtaxed middle class, which historically served as the milking cow for government taxation, is not reassured when even the Prime Minister talks about a possible hike in taxes, as opposed to what he promised during last year's campaign, and when the Minister of Finance is juggling with the idea of taxing RRSPs.

Naturally, this government lacks imagination in the fiscal area as in all other areas of management. They also promised a stable and balanced monetary policy. Interest rates have increased since spring and should increase some more during the coming months because you have to reduce the deficit if you want to relieve the upward pressure on interest rates and give more flexibility to the Bank of Canada so that it can, in turn, lower interest rates. So goes the vicious circle of indebtedness.

• (1510)

We in the Bloc Quebecois agree that government finances must be overhauled to reduce the risk premium Canada pays on interest rates, mainly on foreign loans. The government's budget policies should aim for a far more substantial reduction in the federal deficit. The Liberals are not on the right track and will not be able to keep their campaign promise of a balanced and stable monetary policy.

The red book says, and I quote: "A number of government programs and tax expenditures—some of which have been identified by the auditor general—are inefficient, poorly managed, or motivated by purely economic reasons. Just as we are proposing new measures to grow the economy, we will examine such programs with the objective of reducing waste and inefficiency and promoting economic growth. Expenditure reductions will be achieved by cancelling unnecessary programs, stream-

lining processes, and eliminating duplication. This effort will take place in partnership with provincial governments".

How ridiculous this sounds when we read it again today, a year after the Liberals came to power. Ridiculous, especially when we compare the red book with the two instruction manuals it spawned last week: *A New Framework for Economic Policy* and *Creating a Healthy Fiscal Climate*. Upon reading these two documents, which list a set of principles and indulge in a lot of wishful thinking and which are to be used for consultation purposes, we realize that, for the government, social security reform remains the cornerstone of deficit reduction and of improving the state of government finances.

According to the Minister of Finance, improving the state of government finances will be achieved, as we said earlier, through cuts in unemployment insurance, student loans and social security. The jobs and growth strategy, says the minister, is based on the following main themes: encouraging Canadians to adapt to change; rethinking the role of the state; putting the economy on the right track; and creating a healthy fiscal and monetary climate by reducing the deficit to 3 per cent of GSP by 1996–97, the ultimate objective being to balance the budget.

Aside from a few very general principles, the government's new policy framework merely reminds us once again of the red book's objective which is still to reduce the deficit to 3 per cent of GDP before the end of the government's mandate. There are no concrete proposals for meeting this objective, aside from a number of haphazard budget cuts.

Given the sorry state of Canada's finances and the resulting prohibitive foreign debt, the Liberals' target of $39.7 billion in 1994–1995, again barely under the $40 billion mark despite the strong economic recovery, strikes the Bloc Quebecois as overly cautious and irresponsible in view of the size of the problem.

In order to point up the reduction in the deficit, you will recall that the Liberals overestimated the deficit in 1993–1994, the last year the Conservatives were in power, at $45.7 billion. The real deficit that year, however, was $42 billion. Without a change in policy, the government told us, the projected deficit that year would have been $41.2 billion. In our view, the minister's deficit reduction objective is still not high enough.

In a context of economic recovery, with Canadians willing to do their part, what kind of leadership is it to lower the deficit from $41.2 billion to $39.7 billion? This is a paltry $1.5 billion—it is laughable, really. The minister is not even certain that his timid attempts to improve the situation will achieve their purpose. As he told us last week, these two documents will be submitted for consultation. I, for one, have always believed that the government was elected to make decisions and to manage. The Liberals are trying to change the art of governing. For them, it seems to mean consulting.

Not only has it set its sights too low, but the Liberal government is erratic and hesitant when it comes to specific measures to eliminate an uncontrolled debt that has become uncontrollable under their leadership.

To reduce the deficit, the government must find enough manoeuvring room to meet its budget goals, which we find, as I said earlier, a little too ambitious based on the following measures. The government promised to tackle waste, duplication and mismanagement in order to reduce operating expenditures. Yet, year after year, the Auditor General finds numerous cases of waste and mismanagement. Many of his recommendations are not acted on. What about program assessment? Program expenditures now exceed $120 billion, while most federal programs evaluated cost less than $250 million.

• (1515)

No large–scale program has been evaluated yet, either in government departments or Crown corporations. On what basis and under what criteria will the minister responsible for reviewing all government programs conduct the promised review? Will this review integrate the Auditor General's recommendations? We do not know any more than that.

You will agree with me that the measures proposed by the Minister of Finance to create a healthy financial climate are not exactly innovative and ambitious. As the Bloc Quebecois already said, the minister only describes the government's balance sheet without proposing any concrete measure to reduce the deficit.

The reform of social programs remains this government's framework to reduce the government deficit. Although the government made a commitment not to increase taxes, the minister says in the document that "broadening the tax base is preferable to raising tax rates". What does this position mean for the future?

In the same document the minister says that given the scope of the measures needed to meet its deficit–reduction goals, the government must contemplate tax initiatives. This means that we must expect new tax increases at some point.

Tax breaks on retirement savings, or RRSPs, represent almost $15 billion, $14.9 billion to be more precise. The Liberal government must be tempted to eliminate RRSP deductions, which would reduce its annual deficit by 37 per cent in one fell swoop, without any additional streamlining effort. RRSPs account for 55 per cent of all the government's tax expenditures including the credit for charitable donations, the tax credit for research and development, the exemption for injured workers' compensation, and the largest, making up 55 per cent of the total, is RRSPs. How tempting to eliminate just one, that one, which would affect only one group of taxpayers. Only one group of taxpayers would be targeted and in one fell swoop more than half the tax expenditures would be eliminated.

The government is preparing us for this type of cut that will affect mainly the middle class. When he says that he must consider tax initiatives, the minister is surely thinking of RRSPs.

No offence to the member for St. Albert, with whom I agree, but the government has no detailed plan on how to balance the budget and will not table such a plan, nor does it have a timetable and a clear vision of the government's role in the economy.

To conclude, I will add that this government does not seem to want to keep its commitment not to raise taxes, it is vacillating and only as a last resort did it admit that it had to make more cuts to achieve its future budget objectives.

This government prefers to re–examine government programs instead of tackling the machinery of government as such. This government promised us "jobs, jobs, jobs" in the 1993 election campaign. Today, it tells us only about cuts and reducing the deficit. Its rhetoric varies depending on the prevailing circumstances, you will agree.

This government observes and consults. It gives the people no concrete measures except for cuts in social programs and in transfers to the provinces. It is counting on the economic recovery in order to avoid making painful decisions, which will be even more painful because of its indecision.

This government no doubt has a work plan that it is developing in secret while its leading lights consult left and right. Even the Prime Minister is consulting the health stakeholders to define the health care system for the next century in the absence of the provincial premiers and health ministers.

In the end, the *Toronto Star*'s allegations are being confirmed: the shortfall of the next two fiscal years will be recovered through cuts in social programs. That is what this government's political agenda boils down to. I believe that Quebecers and Canadians deserve better.

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, I listened very carefully to the interesting comments made by my distinguished colleague, the hon. member for La Prairie. I want to ask him if he finds it normal that a government running a country on the verge of bankruptcy tolerate having accounts receivable of $6.4 billion and a revenue minister who does not do much to recover that amount?

• (1520)

Does the hon. member finds it reasonable that a government on the verge of bankruptcy play war games and spend $2 million in just 48 hours?

Does he find it reasonable that the parliamentary restaurant, on the sixth floor of this building, incurred losses of $2 million last year presumably because its clients, including senators and others, would leave without paying their bills?

Does he find it reasonable that a government running a country on the verge of bankruptcy would have an agency such as the CSE, which has over 1,000 employees and an annual budget of 250 to 260 million dollars? These people are not all spies but, seemingly, several of them are.

Does the hon. member find it normal that this same government accept the fact that large amounts of money in family trusts are exempt of normal taxes?

Since my colleague used to be an alderman in his home town, I also want to ask him if he agrees that the federal government should follow the example of municipalities and table a balanced budget? If the government insists on playing Santa Claus, it should not do so at the expense of future generations. Instead, it should have the courage to raise taxes. It is easy to be generous when you know that it is the third or fourth generation down the line which will have to pay for the goodies handed out now.

Finally, does he find it normal that a government borrow, often from foreign countries, to pay the interest on the deficit for the current year?

There are several questions. I would appreciate it if the hon. member for La Prairie could answer most of them.

**Mr. Bélisle:** Mr. Speaker, I want to thank my friend from the Bloc Quebecois for this array of very relevant questions.

First, I would like to tell you that I agree completely with what you said, especially concerning the accounts payable. Naturally, the Canadian government was often compared to a business; thank God it is not a private business, because if it were, either a small, a medium–sized or a large business, it would have gone bankrupt a long time ago.

What you said about the accounts payable is also true for the accounts receivable. How many millions if not billions of dollars in taxes are not collected by the Canadian government? As Chairman of the Standing Committee on Public Accounts, I can say that our committee has the opportunity to analyze the recommendations made by the auditor general. Year in and year out, the auditor general says the Canadian government lacks rigour in the collection of accounts receivable, meaning taxes, as well as in the area of accounts payable.

You talked earlier of the restaurants here, on the Parliament Hill. Recently, I read that these restaurants do not even make enough money to pay their staff. This is absolutely absurd. Basically, this is a sign of the laxness that the Canadian government has been guilty of for many years. In previous years, in collective bargaining, the Canadian government, as an employer, never stood up to the labour unions. And we are now

in the absurd situation where the revenues of the restaurants do not even cover their manpower costs. The restaurants on the Hill do not even make enough money to cover the fixed costs, let alone the variable costs.

You also talked about the $2 million it costs the Canadian government to play war for 48 hours. You were surely alluding to the William Tell competition that was mentioned here last week. Clearly, the whole defense policy must be reviewed. The Department of National Defence has a $12 billion budget. We have seen the government try to close bases here and there in Canada. That is not the Bloc's position. We think that the defence budget should be reduced by at least 25 per cent, which represents about $3 billion. The government just has to say no to these war games and to other decisions made by the generals. We know that, historically, in Canada, as in the United States and many other countries, oftentimes it is not the Minister or the Prime Minister who runs the Department of National Defence but the generals.

• (1525)

When the generals submit their budgetary requirements each year, they ask for a lot of what I would call military hardware to play war games. As far as I know, the Second World War ended in 1945. It is true that Canada was involved in the Korean War. It is also true that we have sent troops to several countries as part of a multinational force in the 1970s, the 1980s and the 1990s, but I do not think that it justifies a $12 billion budget today. It is us, taxpayers, who have been paying year after year for this military hardware to please the generals and other army leaders. I think the time has come for the civilians to regain control of this $12 billion defence budget.

**An hon. member:** The municipalities.

**Mr. Bélisle:** Municipalities, yes, I certainly agree with you, since I was a municipal councillor for 11 years in Ville Saint–Lambert, in my riding, on the South Shore of Montreal. They never had a deficit in Saint–Lambert or in any of the neighbouring towns or anywhere in Quebec, for that matter. If a town runs a deficit in one year, the deficit is transferred to the following year's budget. If this principle were applied by the federal government, it would not have a $500 billion deficit today.

**The Acting Speaker (Mr. Kilger):** The hon. member for Longueuil, for a brief question.

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, I have the following question for my colleague and it is that for the past 20 years the government has been living on credit and has borrowed nearly $1 billion for every million people we have in Canada. Does this not prove the federal system does not work, that it is very expensive and that instead of blaming the government, perhaps we should blame the system? The Conservatives did not do a better job, the Liberals before them did not, and today's Liberals are not doing a better job either. So there is a problem, and the problem is not the government as such but the federal system, which does not work. Does the hon. member agree?

**Mr. Bélisle:** Mr. Speaker, I agree wholeheartedly with the hon. member for Longueuil. The government's financial bankruptcy—its cumulative debt of more than $500 billion which goes back to the end of the seventies—proves that Canadian federalism does not work.

If you will allow me to use the following metaphor, it is as if Canada were a large multinational corporation with 10 branches in 10 different provinces or countries, and for more than 30 years, there has been constant squabbling between the branches in the provinces and the central government in Ottawa or somewhere else, and they can never agree on how to do things.

In the private sector, to keep the shareholders happy, they would have made the necessary decisions right away and either decentralized or created other independent corporations for these entities. What we are asking as Quebecers is to have an independent entity so that we are politically autonomous, which would not preclude administrative agreements or agreements based on an economic union with the rest of Canada.

[*English*]

**Mrs. Jane Stewart (Brant, Lib.):** Mr. Speaker, I appreciate the opportunity to participate in this debate.

I would like to start by thanking the third party for giving us yet another opportunity to crystallize for the Canadian people the differences that exist between the Liberal philosophy toward the role and responsibilities of government and the Reform philosophy in that same regard.

It was a year ago exactly today that the Canadian people elected 177 Liberal members to this House. I believe they did so because they believed and had confidence in our philosophy; one that said that it is important and necessary for the government to take fiscal management responsibilities seriously, that we must reduce the debt and the deficit. The Canadian people also agreed that there is more to the role of the Canadian government. They agreed with us that part of the role is to help create jobs and develop economic growth.

• (1530)

Contrast that with the Reform Party members who, as I saw them today in question period, were very happy to elect 52 members from one region of the country, a very important region but one region. Their strategy is very telescopic, very single–minded, and says that the role of government is really to

get into power, slash and burn, cut the debt and deficit, fold up the tents and get on with it, get out of town.

Every once in a while I wonder what it must be like to be a constituent in a Reform member's riding. I think of the young people who come to see me in my constituency, young people who have graduated from university and have been unable to get that important first job. They cannot get unemployment insurance and the alternative is welfare. They come to my office and we talk about the Canadian Youth Services. We talk about wage subsidies. We talk about different strategies whereby the government can impact and assist the young people in their search and their finding of a job.

I do not know what it must be like to be a Reform member and be unable to talk about these strategies, to talk about a government providing these kinds of opportunities and actions that do in fact help get Canadians into the workforce, contributing and productive in our economy.

We are here talking about the deficit and it is important. I have a few words I want to share in that regard. Many suggestions have been made about eliminating the deficit. Unfortunately, a significant number of those suggestions, including some made by hon. members in this House, are not based on a sound grasp of the facts.

This afternoon I would like to discuss some of these misconceptions. Let me begin with a remedy much favoured by certain members of the opposition, eliminating social benefits for higher income Canadians. Of course there are some potential savings here but they are much smaller than is often claimed. Why? To begin with, many social programs already target benefits on the basis of need or income. The guaranteed income supplement is an example. So are spousal allowances, the child tax benefit and the GST credit. Other social benefits are reduced or recovered as income rises. Old age security, for instance, starts being recovered at about $53,000. Unemployment insurance is recovered at about $58,000 and the age credit at about $26,000.

There is also an unfortunate truth faced by anyone who wants drastic cuts to elderly benefits. The fact is most elderly Canadians are at the lower end of the income scale. Almost three–quarters of our elderly have annual household incomes below $30,000. About half of all elderly benefits go to those who receive the guaranteed income supplement. That means individuals with incomes under $15,700 and couples under $23,800. In short, the notion that rich Canadians collect huge sums in social benefits is simply a myth and a mistake.

Another common belief about our social programs is that much of the social security spending goes to cheats but that too is a myth. Cheating is not the culprit behind the high cost of social programs. Chronic dependency is.

The rules for governing unemployment insurance for example have unwittingly encouraged chronic use, fostering dependency on certain industries and regions. This is precisely the kind of problem that calls for a careful rethinking of the way we structure our spending. What will be achieved by a draconian slash and burn approach? Does Reform believe that thousands of jobs will immediately appear for workers in depressed regions once they are forced off their UI dependency?

Another silver bullet solution held out by Reform members is to slash government operating costs. They see Ottawa as a fat city and the public service as an easy target for the resentment of heavily taxed Canadians. Yes of course the reduction of operating costs is an important goal, one to which our government has demonstrated a commitment, but it can never be the principal source of the savings needed to address the deficit problem.

The net cost of running the government and delivering programs represents only about 12 per cent of the total federal budgetary spending, about $20 billion. That is a lot of money but it is less than half the 1993–94 deficit. Even the most drastic cuts, even the absurd extreme of laying off every public servant would come nowhere close to solving our deficit problems.

• (1535)

Other facts speak loudly too. The cost of government has been repeatedly restrained in recent years including restraint measures in the last budget. In fact we have implemented 16 specific expenditure reduction exercises over the past decade of which 12 had a direct impact on operating budgets of the government departments but operating costs exist for a reason whether the mythmakers want to believe it or not. It is futile to repeatedly cut back operating costs in isolation from the programs that give rise to those costs.

There are other suggestions for eliminating the deficit that do not entail spending cuts at all. Some of these too are based on mistaken notions. For example we are often told that the government should sell off crown corporations. There may be good reasons for privatizing crown corporations but reducing the deficit is really not one of them.

The impact of privatization on deficit is extremely limited. That is because crown corporations are already recorded as government assets. As a result the only situations in which the deficit would be reduced by privatization are those where the assets could be sold for more than their current book value. I doubt whether there are many such cases at this time.

We also hear that the government could drastically reduce the deficit by lowering interest rates. People who hold this view forget that interest rates are not set by the government but by investors. The Bank of Canada can influence short term interest

rates but it cannot dictate long term rates or the cost of borrowing in international markets. Who would buy our bonds if we offered uncompetitive rates?

Occasionally the argument is still made that the government should increase the money supplied to finance the debt but history has shown time after time that this is a bogus and a bankrupt solution. Printing money to pay down the debt failed miserably. That is because it ultimately fuels inflation because people realize that their money is worth less. The ultimate result is that printing more money to solve your fiscal problems leads directly to higher interest rates and higher debt servicing costs. In the end the problem has not been solved. It has been worsened.

So far I have focused on a number of proposals for deficit cutting that are based on what we might call myths. My purpose in doing this is not to accept a defeatist attitude because the deficit must be wrestled to the ground and this government has and will do just that. But you cannot defeat the deficit with shallow snake oil solutions founded on illusion. What we need as I said earlier is a careful rethinking of the role of government and the way we spend. It is precisely what the government is doing.

As the finance minister has said the time of nibbling away at the margins is over. The government's comprehensive strategic approach is reflected in a new framework for economic policy that was released last week. It is also reflected in the comprehensive reform of our social security system that is already under way as well as the ongoing reviews of science and technology, defence and foreign policy, and small business policy.

I want to focus this afternoon on the federal program review. To my mind this is precisely the kind of meaningful selective approach to cost cutting that has been absent from deficit reduction exercises in recent years. It is precisely why earlier efforts have not succeeded.

What is program review? It refers to a fundamental review of all federal programs and activities besides the major statutory transfer payments to provinces and people which are being reviewed separately as I mentioned.

It includes examining grants and contributions, tax expenditures, cost recovery and overhead. The goal of this review is a more effective, smaller and affordable government, one that concentrates on its core roles and responsibility.

Each government department and agency has been asked to review and assess its activities against six guidelines. These guidelines are as follows: First, does a program area or activity continue to serve the public interest? Second, is there a legitimate and necessary role for government in this program area or activity? Is it really ours to control? Third, is the current role of the federal government appropriate or should the program be transferred to the provinces?

• (1540)

What activities or program should or could be transferred in whole or part to the private or voluntary sector? If a program continues how can its efficiency be improved? Finally, is the program affordable in light of the current fiscal situation?

As a result of this review some programs and services will be streamlined and some may be eliminated, particularly those that can be provided more efficiently by the private sector or that overlap with services provided by other levels of government.

Some of the changes resulting from the review will be announced in the 1995 budget. Others will be implemented over several years. The end result will be a smaller and more affordable government, but that government will continue to protect the most vulnerable in our society.

The federal program review is only one facet of the government's efforts to put our fiscal house in order. I have spoken of it at some length because I believe it provides an excellent example of the kind of approach that must be taken to deficit reduction; an informed, thoughtful and efficient approach, one that contrasts sharply with the draconian knee–jerkism proposed today by some hon. members.

I have had the opportunity to utilize this kind of approach with the private sector and it has worked very effectively to improve productivity, to help companies focus on what they should focus on. The strategy that I am proud of is part of our Liberal philosophy. It suggests that we understand that there are things that we cannot deny and that is that straight across the board cuts do not recognize differences in individual needs of Canadians and our institutions.

I would like to make one final point. In his presentation last week before the Standing Committee on Finance, the Minister of Finance emphasized that the government has clear principles to guide it in making the decisions necessary to achieve its deficit target. The minister said, for example, the deficit reduction measures should weigh on the side of program spending cuts over revenue increases, that selective, strategic cuts are to be preferred over across the board cuts and that the most vulnerable in our society must not be left behind.

The minister also made it clear that the government would not be making its decisions alone, that it wanted to hear from Canadians. I believe that the open, democratic consultation process that the government has put in motion is exactly what is needed if we are to put an end to the glib solutions and nibbling away at the margins.

I have every confidence that Canadians will recognize the importance of and contribute significantly to the kind of thoughtful approach our fiscal problems in Canada need.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I thank the member for her intervention. I thank her for indicating that this motion gives her party the opportunity to crystallize Liberal policy. That is exactly what this debate is about.

We would like to know what the Liberals really plan to do. We would like to know what the government process is going to be. We would like to know how they are going to reduce the spending she has talked about.

Despite the pejorative comments that have been made by the member about the Reform policies, there are still questions about what the Liberals are going to do. These questions are raised by this member's speech. She has discussed crown corporations. Should we privatize crown corporations? The question is also can we afford to continue subsidizing crown corporations at the rate at which they are being subsidized today?

She talked about the open consultation process. There is real doubt in my mind about this process. It seems as though people are being told: "Look how hard it is to cut expenditures". Nobody in this House believes it is easy, but to say to people: "Let us see how you can do it if we cannot" is not really a consultation process. There is nothing being put before the people for them to work with. Just to say how difficult it is and "can you show us how to do it" is not a consultation process.

• (1545)

The question still is how will the government reduce the deficit. That is what we are asking. We are not asking more questions about if, when and may. How will the government reduce the deficit? How will the government regain control of the financial position of our nation?

That is the question I put to the member, not to decry about other policies, not to say the member has not told us how to do it. What is in mind? The government has been waiting for years to take power. The problem has grown in complexity and intensity for those years. By the time all the processes are finished the problem will be advanced that much further. We will likely need to have more consultations.

How will the government reduce the deficit? What is its vision? That is what we are asking.

**Mrs. Stewart (Brant, Lib.):** Mr. Speaker, I thank the hon. member for his questions. There are many in his intervention.

I think our process is very clear. I would refer him to the lilac book, as the member for Capilano—Howe Sound called it. A very clear set of documentation was presented by the Minister of Finance last week. He talked about our commitment and our role in economic development. He talked about our responsibilities in terms of fiscal management. He identified very clearly the areas that Canadians can address and look at as they make their considerations and deliberations on how we should manage the process.

In talking about the process of consultation I feel it is an exceptionally important part of the way we want government to behave and manage itself in the 1990s and into the 21st century. Canadians all through the course of the election campaign talked about feeling divorced from the government process, about the fact that they were never consulted or asked; things were just done to them. We are doing our best to change that. Through the formal consultation process, the process that will be held by the finance committee, Canadians will have a real opportunity to participate.

I would suggest as well that each individual member has the opportunity to participate at the grassroots level in his or her riding; to take documentation that has been presented and prepared for us by the Ministry of Finance and share it with individuals, with groups and with people in their ridings; to help work one on one with people to understand the issues; to discuss the strategies and the possibilities; and to bring that information to the standing committee, to the House and to the minister directly.

As for the question on whether or not the minister and our government will make the decisions, we will make the decisions. They will be very clear at the time of the budget. Prior to that the critical point is to talk to Canadians. We are talking about the need to make changes, the type of which we have never seen before. These issues will impact on each and every one of us and each and every Canadian we represent. They have every right to be consulted; they have every right to contribute.

In my role as a member of Parliament I have a responsibility to get that information from them and I will do that. The member should not be mistaken: our minister has made a commitment to reach our deficit targets and he will find them in the budget.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I listened to the member's remarks and I was shocked by her referring to "chronic use of unemployment insurance" as if implying that people who are on UI, year after year, or rather frequently, are doing it on purpose. I could not help but think of the peat bog workers in Rivière Ouelle, or the hotel and inn employees in Rivière-du-Loup, or the forestry workers in Saint-Jean-de-Dieu and wonder what they must think of what is going on in this government.

This government, which was elected to create jobs, has not been giving much hope to people in the regions. It has been telling them: "We are going to create a two-tier unemployment insurance system which will penalize those who use it often; at the same time, we are going to reduce the investment tax credit which allowed regions to create permanent jobs and seasonal workers to go on from seasonal jobs to regular jobs, all year round". By reducing the investment tax credit, the message the government is giving them is this: "It is your own fault if you

are still on UI. It is your problem and it is up to you to solve it". The government gives them a contradictory message.

● (1550)

In the outlying regions, people are reacting to the fact that the government is getting ready to cut transport subsidies in an unfair manner, without even looking at the economic impact. For the past 50 or 60 years, in eastern Quebec and Atlantic Canada, there has been a tradition of transport subsidies which could disappear without anyone knowing the impact it will have if the rules of the game, of the market, are not respected. People who work in these areas and who will be hurt by these decisions are wondering what is going on in Ottawa, and why decisions which are detrimental to regional development are made.

The other example is the government's withdrawal from transport, airports, harbours and railways. It is getting out of all these areas at the same time and people are asking me what a radio personality was asking me the other day, which is: Who is going to stop all this? Who is going to get a handle on this? I would like the member to tell me how she would cut wasteful expenditures and increase revenues since, in her remarks, she talked a lot about higher revenues and what we could all do to do our fair share. Would she consider taxing family trusts and thus bring some degree of fairness to our tax system?

[*English*]

**Mrs. Stewart (Brant):** Mr. Speaker, again a number of important questions were asked in that dissertation.

I want to make clear that neither my government nor I is pointing a finger at forestry workers or seasonal workers and saying it is their problem. Quite the opposite. We are suggesting that we recognize the system is at fault and the system needs to be repaired.

In response to the issue of dealing with subsidies and making cuts to agencies and other organizations, we are clearly and actively using a consultative approach to understand precisely what the hon. member is suggesting. We recognize that making cuts for the sake of cuts is not appropriate. We have to understand that when we make subsidy cuts there will be a response. Every action creates a reaction and we have to think them through before we slash and burn holus–bolus. It is not our strategy. It is not our philosophy. We will not do that.

Finally, we have to recognize that we are going through significant change. Government is going to change. Canadians will be dealing with change. We have to accept the difficulties there. Part of doing a credible job, a good job, is to involve Canadians in the process. I believe we have struck a perfect strategy to reach that goal.

# ROUTINE PROCEEDINGS

[*English*]

## COMMITTEE OF THE HOUSE

FINANCE

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I rise on a point of order. There have been discussions among the parties and I think you would find unanimous consent for the following motion:

That the Standing Committee on Finance, or any of its subcommittees, be authorized to adjourn from place to place within Canada during the week commencing October 31, 1994 and that the necessary staff accompany the committee.

**The Acting Speaker (Mr. Kilger):** The House has heard the terms of the motion by the parliamentary secretary. Is there unanimous consent?

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## SUPPLY

ALLOTTED DAY—THE BUDGET

The House resumed consideration of the motion.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, I am pleased to rise and join in the debate today. Here we are one full year to the day into our mandate. That is certainly cause for reflection but that is all, for we have barely moved from the status quo of doing nothing. Little has been achieved in addressing the deficit and debt problem. As I stand here I do not see myself slashing and burning, folding up the tent and saying let's go home as my hon. colleague from Brant suggested in her earlier remarks.

The presentation I would like to make today is focused. It speaks of an ideology that all Reformers carry, that is recognizing that we as a nation have difficult choices to make. We are burdened with a federal debt that is more than $535 billion. This bone crushing yoke demands more than $40 billion a year in interest payments. If we do not make some tough decisions today we will soon be unable to deal with it at all.

• (1555)

This is not fearmongering nor is it self–serving as some Liberals have been wont to say. Rather it is the tough talk needed to make every Canadian realize the magnitude of the problem we face. We in the Reform Party take pride in our approach, bringing difficult issues out into the open, addressing the problem and developing solutions.

The challenges that face us today as legislators are really quite unique. We have the privilege to participate in the changing of our nation. We recognize that this great country still in its youth is growing, changing and finding its own identity. Part of finding its identity is to throw off the old mantle of programs that worked in the past when the nation was young and to establish new and stronger programs that will take us further into its next phase of maturity.

The first step is recognizing that Canada now does too much for too many people and can no longer afford to do that. In attempting to be everything to everyone we have gone bankrupt. Our challenge is to determine what we need to do, to do it well, and to encourage individuals to assume responsibility for non–essential services.

I have always focused upon priorities during debate. I believe today is no different as I look at the choices we must make as a nation and as a people. We in the Reform Party care about preserving Canada for the future for our children and their children. We envisage a country that takes care of those not able to do so in order that they may be able to contribute to the well–being of their families. We envisage a country that educates its children, ensures that they can get jobs, contributes to the well–being of Canada and thereby focuses on its future.

There is no one in the House who lacks compassion at heart, and that is contrary to the somewhat pejorative suggestions of my colleague from Brant. Coupled with that compassion does come a practicality.

There has been no better contributor to our nation's ill health than the federal deficit and debt. The Liberals would have Canadians believe that the Tories are completely responsible for the debt problem, but in reality the Tories did not have the political will to address the problems created originally by the Liberals.

Let us consider these Liberals and their accompanying huge deficits while in power: in 1981, $14 billion; in 1982, $15 billion; in 1983, $28 billion; in 1984, $32 billion; and in their last budget in fiscal 1984–85 year, a deficit of more than $38 billion.

A combination of three things needs to happen to make the finances of government more manageable. We need to spend less. We need to spend what we have better and more efficiently. We need to lead by example in government. Therefore I have decided to focus my remarks today on a particular area, that is the Department of Canadian Heritage and all its funded organizations. It is possible to find $1.6 billion in savings there.

Let us be specific. If the finance minister wants to find cuts he can begin with what was once the department of multiculturalism. Multiculturalism is too costly. Canadians, especially first and second generation Canadians, do not support it. Multiculturalism funding serves only to disunite Canada by sectoring off parts of society instead of encouraging them to embrace their new nation. The responsibilities for race relations and cross–cultural understanding should be transferred to the Human Rights Institute and its accompanying appropriations should be discontinued.

The community support and participation program funnels millions of dollars into special interest groups and serves as a tool to garner votes for the government. Its funding should be discontinued. The heritage language and cultures program provides grants to special interest groups and promotes the disunity of the country. Its appropriations should be discontinued.

These arguments also apply for the community development program, the voluntary action program, the Canadian Multicultural Advisory Committee, the multiculturalism secretariat, the human rights program, the Canadian studies program and the open house Canada program.

• (1600)

These programs provide a service only to those who use them. These are the taxpayers who should support them, privately and independently. The minister will save some $50 million by cutting funding to these programs.

The single largest benefactor of the Department of Canadian Heritage funding is the CBC. This organization has enjoyed receiving parliamentary appropriations that have continued to grow on an annual basis. It now receives $1.1 billion a year from Canadian taxpayers. This creates an imbalance in a free market setting.

Yet the CBC continually comes back with cap in hand year after year for more money, for supplementary appropriations. It continues to say to the government and the Canadian public: "Oh dear, we just cannot fulfil our mandate without more funding".

Every year it gets an increase and every year it continues to be dissatisfied. At what level of funding will the CBC say it has enough to do its job? The CBC is the epitome of government waste. Do not tell me that it has a mandate to promote Canadian unity while it remains completely unaccountable to the Canadian public.

It is not subject to the Access to Information Act or to the Privacy Act. Further, it is exempt from sections 1 through 4 of part 10 of the Financial Administration Act, which makes the corporation also financially unaccountable to the Canadian taxpayer. These two factors give the CBC a further special status, giving it an even greater competitive edge.

We are looking at ways of cutting spending in government to make government better. The CBC should be required to do the same. The Minister of Canadian Heritage has recommended

that Canadians pay a new entertainment tax to generate revenue for the CBC. Canadians are already taxed to the hilt.

The finance minister said we do not need new taxes, we need to spend what we have more efficiently.

The Minister of Canadian Heritage has stated publicly that he favours partial privatization of the CBC. The government should order this forthwith.

While we are on the topic of efficiency, let us look at the bloated government bureaucracy in desperate need of downsizing. The Minister of Canadian Heritage is also responsible for the Public Service Commission. In light of the recent report in the Ottawa *Citizen* describing how seven people double dipped after receiving their severance packages, it is clear that there is much housecleaning that needs to be done.

The government should immediately adopt the auditor's recommendation and ensure that these seven people are appropriately punished for abusing the public trust. That is what this is all about, the public trust. This means in the very least recovering the amounts given in those golden handshakes with interest and the removal of those individuals from any positions they hold.

Going after these people is not going to save much money but it will send a clear and unequivocal message to the Canadian people and their public servants that the days of the abuse of public trust are gone.

Consider also as examples of government waste the following: the 13 members of the historic sites and monuments board who chalked up over $78,000 in travel expenses in 1993 and the 31 members of the National Advisory Council on the Status of Women, government appointed people, who spent more than $133,000 travelling.

The government does have a unique opportunity. There is consensus in this House that we need to cut our spending. What we now need is consensus on where to cut and how quickly to do it. I challenge the finance minister and the Minister of Canadian Heritage to take a good hard look at those programs currently funded by government and choose only those that the Canadian taxpayers will support.

It is the Canadian taxpayer after all who we are here to serve. I ask the government to support this common sense motion made today on behalf of all Canadians.

**Mr. Bill Graham (Rosedale, Lib.):** Mr. Speaker, I would like to challenge the member for Calgary Southeast's assertions at the beginning of her speech to the effect that this government has no recognition whatsoever of the need to cut the debt and to deal with the deficit.

I cannot believe the member has not been listening to the statements of the Minister of Finance either in this House or outside the House that clearly indicate—surely she must give some form of recognition—that this government has recognized the problem of the debt. I have heard the Minister of Finance say over and over again that we cannot allow this debt to accumulate at the rate it is. He uses the same figures as the member uses. It seems to me that the difference is that we recognize the debt. We recognize that we cannot go on paying $40 billion a year in interest rates. When that represents the huge proportion that it does of the Government of Canada's annual spending of $160 billion it is totally intolerable. However, I have heard the finance minister say that before.

• (1605)

The difference between us is whether we go at this as a surgeon goes at a problem or whether we go at it the way a butcher would butcher an animal waiting to be slaughtered. That is the difference between the government and the approach which the member takes.

I sat and listened to her talk about the CBC, which I do not have time to comment on. I heard what she had to say about the heritage department and multicultural programs. I also heard her talk about the language programs whereby the multicultural and heritage language groups enable Canadians to maintain their languages.

I would suggest to the member that she speak to the trade critic in her party and find out the evidence we in the foreign affairs and international trade committee have heard about. There is a need for Canadians to be knowledgeable about other cultures and particularly the value which cultures such as the Chinese, the Koreans and others can bring with their own language and their own culture to advance Canadian interests. These are Canadian taxpayers spending money so that Canadians will benefit. We will receive tremendous benefits out of this in a future multicultural world that we are going into.

If we cut the programs the member suggests, I suggest to her that Canada will be less rich in a future world which will require more knowledge, more language and more competence among Canadians in the very areas she wants to cut out with her meat cleaver approach to deficit reduction.

**The Speaker:** I do not know if there was a question there. There was surely a comment. Would you like to address the comment?

**Mrs. Brown (Calgary Southeast, Ref.):** Mr. Speaker, I find it rather offensive to have comments that I have made today referred to as butchering. Something in my mind finds it rather repulsive when I think of the word butchering. I stood here and said that there is not a person in this House who does not have a compassionate heart, not one. I believe that as I stand here.

What we are involved in is a debate. Sometimes I find responding to the Liberals like playing dodge ball with a bunch of grade threes. Having said that, I would like to say that when I was growing up in my household, it was a multicultural household. My grandparents were from Norway and from Yugoslavia. While I was growing up the motto in our family was you pay for it as you go. All I am asking is that if you are going to use a

program or you want access to a part of Canada's heritage you pay for it yourself.

I am not saying anything about not coming to understand your country or coming to understand anything else about others who live here, but you pay for it yourself. That is how I grew up. I can stand here and speak from some experience in that regard because I saw my family do that. It paid as it went.

I have to tell the hon. member that there sure as heck was not very much money there sometimes either to do that but we all survived and survived very well, thank you. I have a great deal of compassion for others in this country who do come from other places in this land.

The last thing I want to say to the hon. member is that I am going to let the numbers do the talking. The federal debt accumulated in 1974 since Confederation was $25 billion. The total federal debt as of now at $535 billion–plus represents a 20–fold increase in 20 years. The total provincial debt is $186.5 billion. To say that we have to go slow and nibble at the edges, slash and burn, that is not what we are talking about here. We are talking about some rational decision making and some hard choices. Believe me Canadians, the ones I talked to in my riding, are certainly ready for those kinds of actions to take place.

[*Translation*]

**The Speaker:** I give the floor to the hon. member for Longueuil. We have about a minute and a half.

**Mr. Nic Leblanc (Longueuil, BQ):** For me?

**The Speaker:** For both of you.

**Mr. Leblanc (Longueuil, BQ):** You will have to give me the floor another time, Mr. Speaker, because I have so much to say. I just want to say that I agree to a great extent with the member for Calgary Southeast.

• (1610)

But there is something I do not understand. For example, she did not talk about the efficiency of government management—she made a point of the fact that when we pay for a service, we must realize that we are actually paying for a service, but when it comes from Ottawa, people think that the money comes from somewhere like heaven, they do not know where it comes from. People keep making demands and getting things and do not know where the money comes from until they realize that Canada is broke.

That is what she did not mention and that is why I ask her if she agrees that radical decentralization would make people realize why they are paying and I ask her whether she agrees with me. If they realize what they are paying for, perhaps they will spend with less abandon.

I sincerely believe that we will have a prosperous future by decentralizing and making individuals responsible. That is what we want to do: decentralize. We want Quebec to be sovereign because we believe that the federal government is too centralizing. It centralizes so much that it makes good management impossible. That is why we want to go so far. That is what even the Reform Party is not able to understand and the Liberal Party has not understood it for a very long time.

[*English*]

**The Speaker:** Resuming debate. The hon. Secretary of State for Parliamentary Affairs. Excuse me. You will forgive a rookie in the Chair. I missed one. Excuse me, Alfonso.

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, I think you are doing a fine job. I am also a rookie. You are an experienced parliamentarian. I appreciate this opportunity to address the House this afternoon.

The resolution before the House requests the government to table a clear, detailed plan to show how and when it intends to balance the budget, including a clear statement of its vision of the role of the government in the economy in order for the people of Canada to debate the plan and vision.

We need that plan if we are to change the present course from government overspending to working within our means. To effect that change or any other change three things are required.

First, we must recognize the problem. As Andrew Coyne said so clearly in the *Globe and Mail* yesterday, the deficit is not the problem anymore. It is the debt. It was fine to aim for a balanced budget ten years ago, but $300 billion in debt later is simply inadequate. That is the problem, the debt and not the deficit.

The second thing that needs to be done to effect change is understand the implications of what will happen if we do nothing to solve the problem. Third is accepting responsibility to do what is necessary.

These are sound principles that all people who have anything to do with the change agree on and all sides of this House agree on. The grey book is full of sound principles but it falls short by failing to provide a means by which principles can be made practical. It is time that the government took control of accepting its own principles and put them into action, not just talking about them but showing the courage to act upon them. The key lies in knowing which principles are crucial, which principles will meet the challenge of reducing spending and create a dynamic economy.

First, knowledge and technology are the new natural resource. Second, translating knowledge and technology into practical, revenue generating services will provide jobs. Third, Canadians will require training and to continue to learn throughout their lives the skills necessary to harness the new natural resource. Fourth, regional development will be redefined and by doing so will redefine government relationships with industry where industry determines its requirements and is self–funding and lessens the reliance on government resources. Fifth, we need to

incorporate the global world into our marketplace and develop our exporting capabilities.

• (1615)

As associate industry critic for the Reform Party, I believe much of this responsibility will fall to the Minister of Industry. The Department of Industry will be integral in the development and implementation of the new natural resource. However the department has not yet adequately set its focus to accomplish that. It must do so before it will be able to set a responsible budget, and it will need to do that in consultation with the Minister of Finance.

We hope the program review currently under way will result in some answers. A noble start has been made in the recent science and technology review across Canada. If the Minister of Industry and the Minister of Finance truly recognize that knowledge and technology are the new natural resources of the country then we can reasonably expect to find answers to creating jobs and to reduce spending.

Industry must take the lead in job creation. The beauty of knowledge and technology based industry is that they are globally capable, prompting an expanded marketplace and a demand for a greater workforce. Industry in this way will generate employment.

Better implementation of research will foster development and Canada will begin to find practical ways of translating good ideas into revenue generation. With an increase in production and the revenue to support it, Canadians will be employed. Best of all, government will be able to reduce its expenditures.

With the creation of this new natural resource there will be no requirement for government to prop up industries and regions which have lost their economic livelihood through the depreciation of traditional resources. The new natural resource and knowledge and technology based workforce will no longer be indigenous to a particular part of the country. The have not status of some of the provinces will no longer exist. St. John's as well as Vancouver will be able to participate and benefit from the ability to farm the resource of knowledgeable people.

Costs to the government of $803 million in regional spending could be eliminated. Regional support which was created to lessen a reliance on traditional resources will no longer be required except on the very smallest of levels to assist industry through transition. In fact, the very notion of regions may well disappear and the restriction of provincial boundaries will be transcended out of necessity.

Industry will assume responsibility and take its rightful place as the generator of jobs and the patron of a sound fiscal environment. It is but one solution but a very important one. It will signal change, but a change that is essential and necessary. It will help government meet its main objective of reducing spending, creating employment, and ultimately fighting the debt. Only government can set the wheels moving in this direction but it must commit to these objectives and it must provide a plan.

As members in an employed society, Canadians will enthusiastically help to make that change. It can be done. I know it can be done. But we need the conviction of the government to do it, and we need it now.

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, I congratulate the member for Okanagan Centre on his speech. Once the passions are defused from the House of Commons, I often hear very constructive suggestions from all members of the House, including members of the opposition.

I would like to ask the member a question concerning his formula for prosperity. Would he not agree that what we need to have is a strong central government to implement the kind of programs that he is suggesting?

**Mr. Schmidt:** Mr. Speaker, I appreciate the question. The simple short answer to the question is yes, we need a strong central government. We also need strong decentralization so that the decisions that affect the people directly and immediately are as close to the people affected as possible. In many instances it requires that the local government and the provincial government play a very significant role.

We must remember it is the central government which creates the environment for the marketplace to operate, for industry to find its way, and for the lower levels of government to do their jobs more effectively so that there is not this duplication that exists at the present time and where there is not this predetermination to "fight for my turf and to get out of my turf". We need to co–ordinate these things and that would be my answer to the hon. member.

• (1620)

[*Translation*]

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Canada's fiscal consolidation is an essential component of our economic strategy. We are fully aware that the ever–growing debt has a negative impact on our whole economy.

A growing debt leads to tax hikes, as we saw under the Conservative government, discourages investors, pushes up real interest rates, forces us to reduce spending on important government programs and translates into a large external debt. For some years now, a larger portion of our budget has been spent on interest charges than on programs. The interest we must pay is now the main reason why the deficit will not go away.

That is why the government is determined to stop the gradual and rapid deterioration of Canada's public finances. Of course, our first goal is to eliminate the deficit and substantially reduce the federal debt. But, in the meantime, we set for ourselves an intermediate goal that we can achieve provided that we remain vigilant and that everyone shares the burden. Within two years, that is, by the 1996–97 fiscal year, we will reduce the deficit to 3 per cent of GDP, as we promised in the red book.

The last time the annual deficit was limited to 3 per cent of GDP was in 1974, 20 years ago. Of course, to achieve our goal, we must take measures that will affect everyone in one way or another. Attitudes must change. Innovation must be emphasized. The dependence of some groups and sectors on the government must be reduced. We will do it by working hard on two fronts, as we have done since we were elected a year ago today.

We will continue to stimulate the economy to create jobs and to increase our tax revenue; we will also continue to vigorously tighten our spending on all fronts and at every level. The engine of the economy is a dynamic private sector. Nevertheless, the government also has a role to play by showing leadership. In a knowledge–based economy, success depends on skills and the ability to innovate, two factors that can be influenced by government.

The government can play a complementary role to that of the private sector. It can contribute to the innovation process, especially in the early stages of research and development. It can also promote the diffusion of state–of–the–art technologies to small– and medium–sized businesses. The state can ensure access to markets for our exporters and help them get a larger share of emerging new markets. It can also help develop the export capabilities of small– and medium–sized businesses.

We feel it is important to keep the inflation rate between one and three per cent, in order to promote a stable economic climate. We fully recognize that we want to do a good job in that respect. In fact, our government made important decisions to that effect in the last year and the benefits are now starting to be noticeable. Indeed, over the last few quarters, businesses have seen their profits increase substantially.

• (1625)

The recovery is also apparent in that consumer demand increased by 3.7 per cent in the first quarter of 1994. Confidence is slowly being restored. Investments are on the rise and jobs are created. From January to September of this year, more than 327,000 jobs were created. Most encouraging is the fact that almost all are full–time jobs. This has a significant impact on the mood of Canadians who are now beginning to sense a greater stability and are regaining hope.

This is not to say that all the problems have been solved. Far from it. Unemployment remains high, much too high. Interest rates, which are largely influenced by the U.S. economy, have maintained their upward trend in all industrialized countries. And, more importantly, our national debt continues to increase.

Obviously, the issue of public debt in Canada cannot be solved through economic growth alone. Some drastic measures must be taken to reduce spending and improve our taxation system if we are to succeed in reducing the debt.

Our main target remains spending control. In order for our country to become more productive, the state itself must be productive. It must learn to become more efficient to help make our economy more productive. In this respect, I think everyone will agree that we are doing everything we can to implement the principles of sound management and to streamline expenditures. We want to eliminate, or at least reduce, government activities that do not have a high priority and concentrate our limited resources on the most important programs.

Mr. Speaker, I know that you yourself are involved in this ambitious effort to streamline our operating procedures. In fact, the implementation of the Gagliano Plan has already saved the administration of this House millions of dollars. We have taken initiatives at many levels: we use new technologies to reduce inventory; we have eliminated redundant services; we are asking certain sectors to be more realistic in the way they reflect market prices. We are asking everyone who works on Parliament Hill to do their share to reduce spending. Not surprisingly, the level of co–operation is very high. This is largely due, I am sure, to the spirit of fairness and equity that you, Mr. Speaker, have maintained during this process of rapid change.

All members of this House have also had an opportunity to help streamline federal spending in the course of the many debates we have had for a number of weeks on the restructuring of federal departments. There again, the achievements are impressive.

Under the previous government, the cabinet consisted of 40 people, all heading large bureaucratic structures. Today, we are doing a better job with only 20 departments. The best part is that restructuring not only helps us save money but ensures that government services are more flexible, more efficient and more accessible to the public.

Unfortunately, not all members opposite are taking the battle against the deficit seriously. The Bloc Quebecois members shout and hit theirs desks with their fists to show more forcefully that they want to fight the deficit but, everytime we propose concrete steps to do so, they are against them, especially if the cuts hit close to home. You should cut, says the Bloc, but not in our backyard. Are they really serious?

As to the Reform Party, their approach to deficit reduction is not only unrealistic, it is plain dangerous. If we listened to them, the country would be thrown into a recession which would last our lifetime. We must continue on the path defined by the Prime Minister and the Minister of Finance. We are going to carry on with our attack against the deficit and we are going to concentrate our efforts on job creation. Our goal is not only to increase the number of jobs, but also to contribute to the improvement of our standard of living and to the preservation of our principles of social justice.

• (1630)

[*English*]

The motion before the House leads me to believe that the earpieces of the Reform members are not working. It is either that or they have not been listening to the Minister of Finance when he has spoken on the government's fiscal policy. It also appears they have not read the grey book "Creating a Healthy Fiscal Climate". Had they heard the Minister of Finance speak to the Standing Committee on Finance or had they read the document they would know that our ultimate goal is a balanced budget.

Yes, we absolutely share their realization that the vicious circle of rising debt and deficits must be broken. As the minister noted in his recent speech to the finance committee: "If we don't do the job, we will fail at everything else". We will win. We will not fail. Our party, our caucus, our cabinet and the Prime Minister are committed to reversing Canada's fiscal decline. I realize the Reform is also interested in reversing Canada's fiscal decline. However, unlike the Reform Party, we have presented a realistic strategy so the Canadian people will realize our objective.

The fiscal update book sets out the scope of action needed to achieve the government's fiscal goals. It provides an accounting of government spending together with a detailed description of the source of government revenues. Reform does not have a grey book equivalent. In fact it has nothing but soft generalities, blanket statements about reducing the deficit to zero, or borrowed prescriptions.

This document that the Minister of Finance presented to the finance committee contains the information necessary to begin a broad public debate on the choices to be made and the actions to be taken in the 1995 budget. Its intention is to help focus the 1995 prebudget consultation.

Let me say here that this is the first time in Canadian history that a government has opened the budget process to consultation. Before, the process was that the Minister of Finance would meet privately in his office with pressure groups whether they were from business, labour or social groups. Only on budget night would we learn what were his positions.

A partial process was started right after the election last year. Through the reform of House procedures this year, we are able to have a process where every year the House finance committee will receive an economic statement from the minister and will go across the country to consult with Canadians and report to the minister. Then the minister can make his choice.

Let us not forget that Canada's fiscal position impacts on each and every Canadian, as will the action to bring our debt and deficit under control. That is why we are determined to work in partnership with all Canadians to determine and implement a solution.

The finance committee will hold nationwide public consultation on how to create an economy worthy of Canada's potential. The finance minister will be meeting with people from all walks of life to hear their ideas on issues. We want to know Canadians' budget policy views. They will assist us as we address the difficult choices which lie ahead.

In the grey book we have laid out some principles and values which will apply to the difficult choices which face us. I would now like to turn to those principles.

• (1635 )

Principle number one without doubt is that deficit reduction and debt control are essential parts of our strategy to create jobs through economic growth. Indeed there is no greater economic priority than to resolve this issue.

Our government will reduce the deficit and control the debt. Doing so will certainly lower taxes and interest rates. This will ensure economic growth through increased productivity and investment, sustained job growth, entrepreneurial vigour and consumer confidence. However, the debt and deficit cannot be reduced overnight. To do as the Reform Party urged during the election and balance the budget in three years would unleash substantial and lasting economic difficulties on all Canadians. It would also violate the other guiding principles laid out in the fiscal book.

For example, fairness must be a principle characteristic of any action we take to bring our fiscal situation under control. We must ensure that the most vulnerable in our society are not left behind. Expenditure reduction must not be an excuse to abandon those Canadians in greatest need. That is exactly what would happen under the Reform's draconian suggestions. They forget that transfers to individuals was the largest component of program spending in fiscal year 1993–94, over one–third of all program spending went directly to individuals. That includes elderly benefits, unemployment insurance, veterans pensions and allowances and transfers to Indians and Inuit.

In all honesty I cannot find the words when I think of the conditions the most vulnerable would face if Reform were sitting on this side of the House. Deficit reduction would be a mere accounting exercise. Let us not forget it is not merely an exercise out of an accounting book. We are talking about people.

That will not happen with this government. Unlike Reform, we realize that deficit reduction has a significant impact on our broader economic and social goals. That is why in the grey book we have set priorities and made reasoned choices.

For example, we have announced an interim target of reducing the deficit to no more than 3 per cent of the gross domestic product by fiscal year 1996–97. At 3 per cent of GDP, economic growth will exceed growth of the debt. We will then have an extraordinary opportunity to move toward a balanced budget.

The question is: What actions do we take to get there? We believe that to hit our targets the budgetary action should weigh most heavily on the expenditure side. Canadians quite frankly are overtaxed. They know it and we know it. The government must do more with less. The bulk of our savings should come through cuts in program spending and not through higher taxes.

Of course, as the Minister of Finance noted, Canadians must realize that if they want to avoid more taxes they must be prepared to support smaller programs, including programs that benefit them directly.

That is why the Minister of Finance directed the committee to ask the specific question of Canadians who appear before it in the prebudget consultations: Where should we cut and by how much? Believe me, the minister is not looking for generalities. He gets enough of those from the Reform Party. He wants to know the trade offs, the details and specifics. He wants Canadians to put themselves in the government's shoes and make hard choices.

The minister also wants to know if Canadians believe that our economic assumptions are appropriate, if our growth assumptions and our interest rate assumptions are prudent, and the reason is simple. We believe it is essential that government make prudent assumptions to guide its economic and fiscal projections.

• (1640)

In my experience, and I have been in this place for about 10 years, the Conservative government, Reform's Tory cousins, proved that missing fiscal targets destroys credibility and merely postpones the need for tougher measures in the future. However, meeting targets establishes and strengthens credibility for the future and is also considered reasonable progress.

This Minister of Finance believes in meeting targets. He will meet his targets and we will have a better Canada.

[*Translation*]

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, I listened very attentively to the speech by my hon. colleague, who described in a general way the monster that Canada's debt has become. I wish to point out to my hon. colleague that this monster was created by the Liberals and the Conservatives. The Liberals created this debt under the guidance of the hon. Peter Trudeau and raised it to almost $200 million. The Tories then brought it up to where it is today and the Liberals, on regaining office, assure us that it will reach $600 billion very soon. We fully agree that the debt has become a monster.

Second, my hon. colleague has just told us that we stand on the brink of bankruptcy, another statement which we totally agree with. I think that our comedians are often much better than politicians at describing some situations. A Quebec comedian, Daniel Lemire, is always saying that we should probably declare bankruptcy and start over under a new name. That is exactly what we will do soon.

The government is now saying that we must deal with this monster, that we are on the verge of bankruptcy and that they must and will make cuts. They will cut unemployment insurance, social assistance, transfers to the provinces, increase education costs, generalize the GST—they will give it a different name but charge it on everything. They will probably eliminate the only tax shelter available to the middle class, RRSPs, and tax retirement funds. All this is sending out a clear message: they are attacking ordinary people. The Bloc Quebecois agrees that the debt should be tackled and that cuts should be made. This is not a problem. But we are against singling out ordinary people. That we disagree with.

While complaining about the lack of money and the huge debt problem, they easily find the billions of dollars needed to finance an unprofitable project such as Hibernia. While telling us there is no money left, they easily find the hundreds of millions of dollars they throw out the window every year, according to the Auditor General of Canada. They also give tax credits worth millions of dollars to the hon. Peter Trudeau and Brian Mulroney for returning their papers to the government, while telling ordinary people that tax credits will be cut.

My question is this: When cleaning stairs, one does not do only the bottom steps. I would like to know if my hon. colleague has ever cleaned stairs and if he realizes that he should start at the top and work his way down?

**Mr. Gagliano:** Mr. Speaker, first let me clarify one thing: I never said that Canada was on the verge of bankruptcy. It goes without saying that the hon. member opposite would love to promote that idea, because it would serve his cause, which is Quebec's separation and the destruction of our country. Of

course we have financial problems. Every industrialized country in the world does. So, let us not start saying that Canada is going bankrupt. Canada is in the same situation as the all industrialized countries—If you want an answer—Did you not make a big fuss about proprieties of the House, about the need to be polite—

**The Speaker:** I wish to remind the hon. member that he must always address the Chair.

Order. We will hear the answer of the Secretary of State.

**Mr. Gagliano:** Mr. Speaker, I was trying to provide an adequate answer to the hon. member who made a rather long speech.

• (1645)

We will not target only one group. As I said clearly, if we are to succeed in alleviating our financial problems, we must target every sector in our society. This is why the Minister of Finance and the finance committee are currently asking Canadians to tell them how they feel the problem can be solved and where cuts should be made to ensure fairness. Indeed, we want to be fair and the only way to do that is to ask sacrifices not just from one group but from all Canadians.

This has been the underlying principle of all the reforms announced by this government, even though the hon. member does not agree, for example, with the way we want to implement the social program reform. We can no longer afford to pay people to stay home. In fact, the Bloc Quebecois headquarters in Quebec City also denounced that situation. During the election campaign, it criticized every cut made by the Quebec Liberal government. Now that the Parti Quebecois is in office, it has decided that the Liberal government budget will remain untouched and that no changes are necessary.

We are all faced with the same problem and separation is not the solution. The problem will be solved by doing like the rest of the world, that is by working together and trying to find solutions and share those solutions. I am convinced that when the new Quebec government holds its referendum, Quebecers will vote to stay in Canada and they will continue, along with the rest of the country, to work to solve our financial problems, to put some order in government finances and to build a country in which they will be happy to live.

The fact is that in spite of our major problems, the United Nations just declared for the second time that Canada is the best country in which to live. I keep repeating to the hon. members opposite that there are millions of people in the world who would give everything to come to Canada. We are not bankrupt yet and I think Canada is still a pretty nice place to live.

[*English*]

**Mr. John Harvard (Winnipeg St. James, Lib.):** If you do not listen, you might as well be deaf. I would submit that the opposition benches are deaf, completely deaf. Their hearing has gone faulty.

I say that because we have said many times that the red book of the Liberal Party laid out a vision. For example, the red book made it very clear we would aim for and achieve a deficit of 3 per cent of GDP by 1997. The Minister of Finance, after the red book, after our election victory of a year ago, built on that vision by producing a budget. The budget reiterated our absolute unshakeable target of 3 per cent of GDP by 1997.

The finance minister laid out a strategy in the budget and it continues. Part of the strategy is an unprecedented set of consultations that will begin almost immediately. The minister through the medium of the finance committee will be consulting Canadians from coast to coast on how best to achieve the target of 3 per cent of GDP. Can there be anything more democratic? Can there be anything more consultative than that?

I wanted to lay that out because it seems that the opposition parties do not want to listen. Canadians are going to participate. Canadians are going to join in achieving the target of 3 per cent of GDP. That is my comment. If the previous speaker wants to respond to it, be my guest.

• (1650)

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, I listened to the previous speaker. The government always talks about when Canada is compared with other countries this is the greatest country in the world in which to live. Quite frankly, it is no contest. Canada is, when you compare it to other countries, certainly the best country in the world in which to live.

I would like to suggest a real test for the government. Compare Canada as it is now with its huge financial crisis, its huge deficit every year, its huge national debt, with how it could be if we had had responsible government running the country over the last 25 years.

I look over at the government and I see a mirror of the Tories. The Tories' plan was not to reduce spending but count on revenue growth to get us out of this fiscal problem. They merrily spent like drunken sailors and, guess what, revenue did not grow. We ended up another $200 and something billion in the hole. The deficit climbed every year and the expected revenue growth simply did not occur.

That is what the government is counting on as well when it uses a figure of 3 per cent GDP by 1997. Theoretically by using that figure, the government does not have to cut costs. All it has to do is hope for the revenue growth to go up and it will achieve that percentage. But that is no accomplishment in thrift. That is no accomplishment in—

**The Speaker:** Order. This brings to a close the time for questions and comments.

It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Davenport—Environment; the hon. member for Selkirk—Red River—Foreign Affairs.

Resuming debate. I understand that two speakers will be sharing the allotted time, beginning with the hon. member for Kootenay East.

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, it is always helpful at the beginning of a speech to bring us back to the starting point. I would like to re–read the motion of the member for St. Albert:

> That this House requests the government to table a clear detailed plan to show how and when it intends to balance the budget including a clear statement of its vision of the role of the government in the economy in order for the people of Canada to debate the plan and vision.

I would like particularly to draw the attention of the members to the phrase, only seven words, "its vision of the role of the government". I have a vision of the role of the government, possibly in the same way that we have the role of management in any organization or the way a team works. We have leaders on a team.

I would like to suggest that we think back. I guess I am showing my age when I talk about Bobby Hull and Bobby Orr or people like that. We saw them as leaders and as showing leadership. When they were virtually physically disabled they were out on the ice. They were showing leadership. They were working at a deficit but they were showing leadership.

We heard a very interesting story from a member opposite. I apologize that I did not catch the name of the gentleman she was talking about in a member's statement this week. I believe it was the chairman of the board of Algoma Steel who has the personal opportunity to take $400,000 through a bonus system as chairman. He is entitled to have $400,000. He is turning it back. He is not taking the $400,000 because he recognizes that if he is going to show leadership, if Algoma Steel is going to go ahead, then he must exhibit selfless leadership.

I suggest that the vision of the role of government in my mind is that of showing leadership. I believe that every member of the House from the Prime Minister to the independent has a direct responsibility to show leadership.

• (1655)

How does this fit together with what we are presently undertaking under the direction of the Liberals? Take, for example, the human resources review committee that will be going out and around the countryside. Members of the committee will be discussing issues like unemployment insurance, welfare and how we are going to be helping our children with their university educations. They are going to be listening to witnesses from organizations like this who are very concerned.

I have in my hand a note from one of my constituents. In part it reads as follows: "Numerous Canadians have lost their jobs over the last year. In most circumstances those who are terminated, laid off or fired do not remain on payroll". Seems reasonable.

"Canadians assumed when they put their *x* in the box one year ago today, October 25, that those members who they booted out of the House would be off the payroll. Not so. Canadians will be delighted no doubt to learn that in the 365 days since they terminated their MPs the public purse has shelled out for their former MPs' pensions, travel expenses, retraining, moving and severance. Add it up.

I am confident that those Canadians who are lined up at the UI office awaiting their miserable little UI cheques for years of hard work in companies that have folded due to previous governments' mismanagement will be comforted in knowing that the members of the government who put them in that line–up are still on the public dole of another kind".

This is the kind of hostility there is among the Canadian people. I make no excuse for it. I simply report it.

If all members of the House are really forthcoming they will agree with me that they have been approached by people in their constituencies; in their constituency office or accosted on the street or in the supermarket with sentiments of exactly that same kind.

It is the number one issue in my constituency. I have spoken about the Young Offenders Act. I have spoken about the deficit and the debt. But number one on the hit parade is the MPs' pensions.

I find it quite amazing that the vast majority of the people in the House, with the turnover of over 200 members being here for the very first time, are supporting what is the number one impediment, the number one wall between members of Parliament and the public. The public sees this whole thing as being completely unfair.

The member for Yellowhead rose in the House and also sent out a press release just the other day and I read in part: "The Yellowhead MP laid into the Prime Minister and his Liberal government today for turning a blind eye to the fast approaching national trough day.

On November 21, 52 current members of Parliament will qualify to dip into the lucrative MP pension fund once they no longer occupy a seat in the House. These pension payouts are estimated to cost the Canadian taxpayers $53 million. Among the 52 MPs who will sidle up to the pension trough once they are out of office are—". I am sure the Speaker would prefer that I do not go ahead and name people like the leader of the Bloc.

It goes on: "'Canadians find it absolutely unacceptable that the Prime Minister says he is dedicated to spending cuts when he continues to allow this kind of taxpayers' abuse', the member said to a round of cheers from his Reform colleagues in the House".

I am rather curious. I absolutely believe it is a barrier between good government, in other words people believing in the members of Parliament, people believing in this place of power and authority in our country. If the number one impediment is simply the long awaited reforms that the Reform Party has been demanding about the MPs' pensions, why in the world would the Prime Minister not have come forward before this point, particularly in light of the fact that the National Citizens Coalition is going to be launching an MP trough day campaign. There are going to be billboards all over the place.

• (1700)

As the human resources committee goes around led by its chairman discussing issues like UI, welfare and how we are going to be funding university education, what kind of response is that chairman expecting when he sits in front of students who are going to be at an exceptional disadvantage perhaps as a result of the changes that are going to have to happen? What kind of response does the chairman expect from the public for his committee when he sits in front of people who are the disadvantaged and are presently on welfare when that member for Cape Breton Highlands—Canso is going to be drawing $1.5 million by the time he is 75 years of age? I wonder how the university students will feel about that.

This is a critical, crucial issue to the entire vision of where the government should be going and how the government should be showing leadership. Therefore, I call on the Prime Minister and the members of his caucus tomorrow in caucus to demand of the Prime Minister that this issue once and for all be finally put to rest.

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, I have to say that I was quite surprised by the remarks of the member opposite. He knows as well as I do that the issue is not simply MPs receiving pensions or even significant pensions. The issue is one of double dipping, where an MP obtains money from the taxpayer—

**Mr. Abbott:** Not so.

**Mr. Bryden:** The issue is double dipping in my riding. I point out to the member, if I may, that behind him is the member for Lethbridge who is already receiving a pension of some $63,000. I will also point out that the $63,000 is from another level of government. I just want to say that the taxpayers' dollars are the same dollars no matter what level of government. I would like to know what the member has to say about the member for Lethbridge and the fact that he is double dipping right now.

**Mr. Abbott:** Mr. Speaker, first off I think it would be very helpful if we had from the member some kind of a definition of double dipping. However, I absolutely outright reject his comment about the fact that the issue is double dipping.

The issue is not double dipping. The issue is the fact that there are 52 more people who are going to be coming to the trough and this is the barrier. This is the problem.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I would like to rise and address this issue of double dipping which my colleague did not mention in his speech. He said the gold-plated MP pension plan is number one on the hit list that Canadian taxpayers do not like. I am here to verify that because that is the attitude in Calgary Centre.

The hon. member should realize that double dipping is when a member of the same government gets an appointment. Joe Clark was double dipping because he got an appointment while he was receiving a pension from this government. If Joe Clark wished to run for the provincial legislature of Alberta then he would be welcome to continue to receive his pension plan from the federal government and work as a provincial MLA. That is not double dipping.

Double dipping is defined as getting an appointment by the same government that you serve. That is where the conflict of interest is. There is no conflict of interest if you work for a provincial party and then leave that party to run for a federal party. If you then run for a federal party, you tell the people in your riding you are running federally. If those people in the province of Alberta elect you with one of the strongest majorities, that is not double dipping. That is not getting an appointment from another level of government. That is going before the people, laying it on the table and being duly and freely elected.

Personally, I am getting sick and tired of the whining of the government about double dipping.

• (1705)

It says that it is going to do something about it. It has done nothing. I asked the Prime Minister in question period way back in January: When can we opt out of this gold-plated MP pension plan because many Reformers want to? He said: "Soon, soon, soon". He has done nothing. It is all talk. Talk is cheap but the interest on the deficit and the debt is not.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, it is always a privilege to address the members of this House in debate.

As the member of Parliament for Cariboo—Chilcotin, it is my duty and my privilege to represent the views and the concerns of the people in my riding. They are a diverse group but they share a common concern, the state of our nation's finances.

The Liberals have called upon the opposition benches, the opposition members, to provide them with some ideas. I hope they have been listening to this debate throughout the day. It is quite interesting to be over here and sort of be treated like a ping pong ball, to be asked to give ideas. Members do that and then they are slammed because the ideas are no darn good at all.

In the last federal election, Canadians were given three clear choices regarding the deficit. The Conservatives claimed they could outgrow the deficit in the hopes that economic growth would save the country's bottom line. The Liberals and the New Democrats said that they could contain the deficit focusing first on the campaign promises and paying the price some time down the road. Reform stood alone in saying that we must eliminate the deficit.

To prove our commitment, we set a target of three years to do that. We did it in a clearly outlined program of eliminating the deficit, zero deficit in three years. The people of the Cariboo spoke clearly on the matter. They wanted an end to sky high deficits, extravagant perks, government waste and yes, gold–plated pension plans too.

They did not want to outgrow or contain the deficit. They wanted it eliminated. The Liberals who do not share this view received a mandate to govern though I fear many opportunities to turn this country around have been ignored and have been lost.

A year has passed since the Liberals formed the government and our country is now a startling $535 billion in debt. With a financial catastrophe ahead of us the government has to commit itself to new ways of thinking. We are asking in this motion for the government to describe that. It has to eliminate waste. It has to eliminate overlap, redirect programs and then the lavish services Canadians can no longer afford and no longer want.

One program that I am particularly concerned about is the Canadian International Development Agency. CIDA was formed in 1968 under an order in council to distribute aid and help the poorest of the world's people. Since that time, however, CIDA has grown into an enormous organization with over 1,300 employees only 250 of whom work overseas and an over $2 billion budget. That is not much if one says it fast, but nevertheless it is $2,000 million for its budget.

Despite its size and expense, it has no official mandate from Parliament. This agency according to the Auditor General lacks the focus and direction to either make a concrete difference in the developing world or build enduring partnerships.

Another report found that it is more influenced by the bureaucratic environment than it is influential in the policy process. It has no long term plan and thus tax dollars are being wasted on programs that according to the report are having little effect on those in need.

What I find most disturbing is the fact that CIDA's work is duplicated in many areas by numerous non–governmental organizations. Many of these organizations receive the bulk of their funding from CIDA and this in my view is both wasteful and redundant.

This agency is adrift and directionless, wasting thousands of millions of dollars in the process. I call on the government to bring a mandate for CIDA before this House as quickly as possible to give this agency a firm direction and bring it under the regular scrutiny of the House of Commons.

• (1710)

The Reform Party has spoken out on CIDA proposing Bill C–250, an act to establish the Canadian International Development Agency. By formally establishing the agency and providing strict guidelines for its operation, Reform hopes to bring more control and accountability to CIDA. CIDA will then be able to focus on the tasks it must accomplish, leaving behind its heavy bureaucracy and saving Canadians a lot of money in the process.

I am more concerned though about one of the Liberal government's most glamorous projects, the celebrated infrastructure program. Reformers are committed to infrastructure; roads, railways, airports. They are all critical for the country. They tie the country together. They pull our communities closer together than ever before. They bring me as a member of Parliament from the isolated regions of Cariboo—Chilcotin to the federal heart here in Ottawa. Most important they keep Canada competitive in an expanding and competitive global market.

Investments in infrastructure must be seen as just that, investments. When starting a business, buying saving bonds or purchasing shares, people always have to consider the return on any investment. Governments can no longer spend money as they sometimes have in the past. The time for catering to regions or special interest groups is long gone. Governments today must invest in trying to help the most people with every dollar they spend, in other words getting the most bang for the buck.

That leads me to the infrastructure program. This program is rooted in the myth that governments can buy jobs. The vast majority of jobs created in this program are short term, the kind of jobs Canadians would pass on if given the choice. Their desire is for real long term positions with real opportunities, real chances for improvement and real hope. The infrastructure program gives Canadians false hope. The good news is just a flash in the pan, careful or you will miss it as it goes by. We are

left with billions of dollars of added debt for our children and grandchildren to repay in the years to come.

The infrastructure program has lost control, coming on stream just as provinces start into municipal elections. Municipalities and provinces have taken advantage of the program to start on their pet projects even though a government news release said that any projects that are not infrastructure based will be refused.

What do any of the following projects approved have to do with infrastructure? A canoe hall of fame for Shawinigan, Quebec; boccie courts in Toronto; luxury boxes in Edmonton's Northlands Coliseum; rental cabins in Saskatchewan's Rowan's Ravine Provincial Park; an artificial ice rink for Gilbert Plains, Manitoba; duck and pond gardens for Winnipeg; removing overhead wires in Shelburne, Nova Scotia to film a movie. I could go on and on.

Infrastructure is supposed to be about roads and sewers. It is supposed to be useful, accessible and beneficial for all citizens in a community. How many people I wonder will be playing boccie in Toronto? How many will be able to afford a brand new luxury box at the Northlands? How many will be making use of the new cabins at Rowan's Ravine?

These are not infrastructure projects. They are pet projects. Their very existence goes against the words of those in charge of the infrastructure program, against the Liberal red book and against the promises of this government.

Then there is the issue of the program's cost. This $6 billion has to come from somewhere. I can only think of two places; either through more debt which will be repaid by our children and grandchildren or more taxes. At a time when Canadians are taxed to the hilt and their governments are broke, this program pushes us even closer to the brink. As the finance minister himself pointed out on so many occasions last week, the debt is our biggest obstacle to long term security and prosperity.

Why the government is making the obstacle harder to overcome for the sake of boccie courts and cabins is beyond me. To close, I believe the key to eliminating our deficit is to focus. To succeed the government must commit itself to cutting the deficit, not to some ambiguous floating target, but to a simple number and that number is zero. It is only then that we can begin to start pulling ourselves out of the deep pit that we are now in.

• (1715)

[*Translation*]

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, I listened carefully to what the hon. member from Western Canada had to say about how the government should balance the budget and spend its money. The member talked in particular about the infrastructure project and I would also like to address this issue and ask a question in this matter.

The infrastructure program set up by the government is not harmful in itself. On the contrary, I think it could help us to create jobs in the short run, help the economy to work better and help the workers to become more productive.

What I have trouble with is that the federal government is taking part in this infrastructure program. The federal government is getting directly involved in an area over which the municipalities have jurisdiction. This goes against the Constitution, because the federal government has never been willing, in the past, to directly impede on municipal jurisdictions. But the Liberal government has achieved to do so, without Canadians realizing what it was up to, because it says it was just trying to help the people. Canadians were taken in by the government, but they never realize that the money always come from their own pockets.

This is why I say again that the federal government's involvement at the municipal level is terrible, that it should not be allowed and will only lead to inefficiency, since we have three levels of government deciding which street to repair, what type of bridge to build, what project to undertake. This is terrible and should never have been accepted.

The federal government should have given the money directly to the provinces who, along with the municipalities, would have decided which project to support.

[*English*]

**Mr. Mayfield:** Mr. Speaker, there is some strategy, some rationale to my comments on the infrastructure program. We do have a stand. Reform supports the development of human infrastructure, supporting federal government activities that work toward the development of job skills, especially skills that are transferable to a variety of job positions.

Second, Reform supports the development of physical capital, maintaining airports, maintaining our sea ports and roads that enhance our economy for years to come and enhance our economic competitiveness in the world today.

On the other hand, it seems that the Liberal stand does not develop human capital. The skills developed are strictly for construction, general labour skills. The vast majority of jobs are short term basis. The minister cannot deny that. Skills developed are not transferable to other areas, just other construction projects.

It does not develop physical capital. For example, in the Liberal policy on infrastructure in Ontario less than half, 41.3 per cent of the money, is going toward roads; 23.3 per cent for sewers; 47 per cent going to non–residential projects like the ones I outlined in my speech.

**Mr. Jerry Pickard (Essex—Kent, Lib.):** Mr. Speaker, I would like to comment on some of the comments made by the member across the way.

I find it quite clear that the Liberal platform that was developed in the red book was put in print and is a program that is not supposed to take all the action within a year. We said that in three years we would accomplish this goal. That was to reduce overspending to 3 per cent of the GDP. We are very much on line with that development.

However, in doing that it is extremely important to consult the public. The Reform Party often tries to put itself forward as one that consults the public. It is now saying: "We do not agree with your timeline".

• (1720)

The Canadian public agreed with our timeline. That is why it overwhelmingly elected a Liberal government.

Our infrastructure program was very clearly laid out to the Canadian public and it was asked to make decisions. One year ago it made that decision. Quite frankly, the infrastructure project has been a tremendous success in my riding from the response that I get back. These are programs and things that had to be done in every municipality across this country in order to increase the wealth of life of everybody in Canada.

**Ms. Judy Bethel (Edmonton East, Lib.):** Mr. Speaker, I am pleased to have this opportunity to address the hon. member's motion today. This past week the Minister of Finance made it abundantly clear this government is fully committed to reducing the debt and controlling expenditures.

I can assure the hon. member that reducing spending is not the only action this government is taking to strengthen our growing economy. We are working in partnership with other levels of government and the private sector to build strong, vibrant economies that will keep our standard of living among the top 10 nations of the world.

I know hon. members will agree that our young people are the future leaders and builders of this great nation. This government is fully aware of the importance of ensuring that Canadian youth are given every opportunity to excel. That is what the youth employment and learning strategy is all about.

The hon. member asked about the government's vision. Let me tell the hon. member for St. Albert that our vision for young Canadians is to do everything possible to ensure they fulfil their educational potential, get a rewarding job and contribute to the social and economic health of Canada.

One way the government is doing that is through youth service Canada. We already have more than 1,000 Canadian young women and men participating in youth service projects. In the coming months we will involve an additional 1,400 participants. That is not the only investment we are making in the future of Canada. Through our youth internship program young Canadians are being given the opportunity to experience training in new and emerging sectors.

I assure the hon. member this is not a haphazard approach of smoke and mirrors. Far from it. Youth internship projects will train young people in skills that will lead to long term, highly skilled jobs. For example, we recently announced a demonstration project to help those interested to gain the skills necessary to pursue careers in the electric and electronic industries. Each project will involve 20 students in five provinces, with the benefits going to students all across the country.

I imagine my hon. colleagues will agree there is no better teacher than experience and experience is what the participants in the government's youth employment and learning strategy are receiving. We have said before, and perhaps the hon. member should hear it again, partnership is the key to making these programs effective. With the demonstration projects under youth service Canada and youth internship, the government is working hand in hand with a variety of partners, including sector councils, that are taking the lead in these endeavours.

One of the major aspects in economic renewal is that sectors share responsibility in determining and addressing their human resource needs. We are working closely with sector councils that represent their respective industries. I will say a little more on that in a minute.

Regarding vision, this government has enough vision to realize that we have to make adjustments where needed. That is what we are doing with the Atlantic groundfish strategy. The main objective of TAGS is to reconstruct the fishery in Atlantic Canada to make this traditional industry economically viable and environmentally sustainable.

We are working closely with fishermen's associations and the provinces to make necessary adjustments to the labour force, realistic adjustments that must be made. Since TAGS was announced in April, we are serving the needs of men and women in the fishery through the difficult transitional time.

So far close to 41,000 fishermen and women and fish plant workers are receiving support through TAGS. For the majority that support will continue to 1995. Financial assistance is not the only thing the government is doing for women and men whose lives have been devastated by the reduction in the fishery. We are also providing counselling to about 15,000 individuals thus far, and about 3,000 of these men and women are participat-

ing in other aspects of the TAGS program on their way to becoming self–reliant and able to once again contribute to the Canadian economy.

• (1725)

When the hon. member for St. Albert talks about vision I am wondering if he is aware of the resourceful measures this government has taken through its strategic initiatives program. We have set aside $800 million in the February budget to come up with creative ways to address employment problems associated with structural changes in the economy.

I am pleased to tell the House that the strategic initiatives program has been a marked success. Let me cite a few examples. In New Brunswick we are supporting NB jobs corps with a $40 million investment to help older employed workers. This project is very successful. At this time most of the 1,000 participants are working in nine provincial localities.

In Newfoundland a strategic initiatives project is investing $10 million to help students and the unemployed continue their education using tuition credits and wage subsidies.

In Prince Edward Island we are investing $1.4 million to tutor unemployment insurance claimants and welfare recipients to gain literacy and life skills.

In Nova Scotia the strategic initiatives program has invested $7.5 million for training and employment opportunities for adults at risk of going on welfare.

We also have strategic initiative projects in Ontario, the Northwest Territories and Manitoba. I am pleased to tell the hon. member that the provinces and the territories have shown enthusiasm for strategic initiatives from the very beginning.

Women comprise about 40 per cent of our labour force but they are still in many low paying occupations. The government is helping women realize their potential through projects such as the one the Minister of Human Resources Development recently announced in Rimouski, Quebec. In this case women who have no income are being trained to enable them to create their own businesses. These entrepreneurial women have a business plan but they need support to get it off the ground. This is another project that is providing an excellent example of what we can accomplish through co–operative partnerships.

I am delighted to report also the case for sectoral partnerships. This too is part of our vision. Sector councils are comprised of leaders in industry, labour, education and all levels of government. They work together to build a common vision of their human resource needs and to establish comprehensive and practical training programs to meet those needs.

We currently have some 18 sector councils breaking new ground in labour–management relations and we are working to establish more sector councils. This partnership includes education and training in the community so the school curriculum will help students develop the up to date skills necessary to work in today's economy.

Sectoral initiatives are involving the private sector in decision making in a way that government has not done before. Business and industry are investing dollars, time and expertise.

In closing, I suggest that the hon. member not be so pessimistic in his outlook. Just last week the International Monetary Fund reported that Canada's industrial production has surpassed the pre–recession peak of 1989–90. Of course there is still much to be done, but through programs such as the one I have outlined, investment in people, and through a revitalized social security system we will help Canadians to improve their standard of living and ensure a strong economy for decades to come.

[*Translation*]

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, the Liberal Party to which the hon. member belongs is planning on reducing the deficit to 3 per cent of the GDP within two years. Of course, the last time we had an annual deficit equal to 3 per cent of the GDP was 20 years ago, in 1974. I would like to remind the members that we started to have deficits around 1970, when our country was run by a Liberal government under the leadership of Mr. Trudeau. You certainly remember that, Mr. Speaker.

• (1730)

Year after year, the deficits started to grow and the Liberal government began to play Santa Claus. It made promises. The deficits continued to grow to a point where the current deficit exceeds 6 per cent of the GDP. Our country is on the brink of bankruptcy, and if we do not want to mortgage the future of many generations to come, we will have to change our mentality.

I ask the government member who just spoke if it is a change in mentality when the Minister of Intergovernmental Affairs, the member for Hull—Aylmer who is sitting on the other side, takes a government plane, a Challenger, to go and give two small lectures in the United States at a cost of $170,000 to Canadian taxpayers. Is it a change in mentality when we send a delegation of F–18s and F–16s to Florida to play war games? The William Tell competition cost us $2 million.

Is it a change in mentality when the Prime Minister tells us that the CSE does not spy on Canadians even though there is a building here in Ottawa housing over 1,008 employees whose job is to do just that at a cost of between $250 and $270 million a year? Is it a change in mentality to have all these duplications of services for the same people? We had a good example of that just recently. Last year, Ontario created the position of Commissioner of the Environment. Last week, in a statement, the Minister of the Environment announced the appointment of another Commissioner of the Environment here, in Ottawa.

As for manpower training, we lose $250 million a year just with Quebec. Both governments want to train the same worker. That costs $250 million a year. It is Mr. Bourbeau, the former Quebec minister, a Liberal minister, who said that, not me.

Will there be a change of mentality on the Liberal side? Will we still let the very rich take advantage of tax shelters and pay very little, if any, income tax, thanks to the family trusts where we could find a couple of billion dollars. Will there be a change of mentality on the Liberal side? When they attack the needy and those who lost their jobs, when they cut off those on welfare, when they bleed the poor and let the rich get richer, will that be a change of mentality?

In closing, I ask whether the Liberal Party will again play Santa Claus, make nice promises and mortgage our future? It is all very well to want to reduce the deficit to 3 per cent, but it will require more than mere wishes. Il will require courage, yes, courage, Mr. Speaker, there is no doubt about it. The Liberal Party will have to be very courageous, but I question their courage, because their past actions do not bode well for the future.

I would like to hear my hon. colleague opposite defend her party.

[*English*]

**Ms. Bethel:** Mr. Speaker, I thank the hon. member for the question. I bring to his attention, however, that we are talking about vision and vision relates to the future. While we can learn from the past it is important to look to the future with hope; with great political will on both sides of the House, as he has suggested; with a tremendous amount of courage; and with a lot of sticking with it. I truly believe the Liberal government understands and will deliver.

The member talked about new approaches. That is what this is all about. As we go into our budget deliberations we certainly know that we need to do things in new and different ways.

We talked about leadership a little earlier. There was one suggestion that the Liberal government decides what it wants to do and does it. That is the old approach. The new approach is to talk to the stakeholders and talk to the people who pay the bills. That is where we get the wisdom. That is where we learn to understand the priorities of the people.

• (1735)

It is my view that what is in the red book is truly the priorities of Canadians. That is why the government was elected.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I listened with considerable interest to the dissertation of my colleague from Edmonton East. It was interesting in so far as it gave us a somewhat biased appraisal of the accomplishments of the Liberal Party, probably since the beginning of time, but we will suggest it was perhaps from the beginning of this Parliament. However it had absolutely nothing to do with the premise being debated today.

What is the government doing? When is it going to balance the budget? That is the essence of the question. When will the Liberal government get at it? The Liberal government was in opposition for nine years. It has been in government now for one year. Certainly it is important to get at solving the real problems. The time to do it is at hand.

I have a question for the member. One suggestion that has been brought forward in the House on numerous occasions to make our tax system fairer, more equitable and far more responsive to the needs of Canadian business and individuals is the notion of a flat tax.

Would the member opposite give the House the benefit of her impression of the values or the negative aspects of a flat tax and what it would do to help move the government along to where it should be going?

**Ms. Bethel:** Mr. Speaker, I welcome the question from the hon. member for Edmonton Southwest.

It is my understanding that we are discussing a vision of the government's role in the economy. It was for that reason I spent most of my time talking about how we would invest in people so that they would be productive and contribute to our economy and the fabric of life in our country.

The member spoke rather negatively about the success of these programs but let me remind my hon. colleague that the whole idea of the $800 million for this strategic initiative was to try to experiment and be creative in new and innovative ways to train our people for their future roles in the work of the country. That is the essence of my comments.

I might mention another thing that is extremely important. Every program I talked about today will undergo the same program review in the future that all our existing programs today are undergoing. That is what makes us sure we will be able to measure success in terms of whether or not it delivers what we expected it to deliver.

I look forward to working with my hon. colleague on those exact kinds of reviews.

**The Speaker:** I should inform colleagues that the last speaker for Edmonton East took 10 minutes and I allowed 10 minutes for questioning because she had 20 minutes to speak.

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, I am pleased today to speak to the motion, specifically the part of the motion that refers to the role of the government in the economy.

Since 1986 Reformers have been talking about the financial crisis in the country. We sent warnings to the Tories when they were in power and they did not listen to us. We in the Reform Party have been warning the government for months and months of the impending financial crisis in the country arising out of the mountain of debts and deficits.

We warned that investors feared the economic uncertainty in our country. We warned that spiralling debtloads would hamper the country's ability to create jobs. We warned that consumer confidence would not return unless the government got its financial house in order. These warnings have simply been cast aside by the Liberals in the last several months and they have branded Reformers as fearmongers.

• (1740)

They would say there was no crisis, the debt was under control or cuts simply would do more harm to the economy than good. Now the Minister of Finance says that debt stands in the way of the growth we seek and limits our ability to create jobs. He says that his ultimate goal is a balanced budget.

This new Liberal stand leaves Canadians sort of confused since only eight months ago the Minister of Finance tabled a budget rife with new expenditures and new taxes, a nefarious combination that encouraged an ever expanding underground economy, a nefarious combination that leaves investors nervously standing pat and consumers keeping their wallets in their pockets.

Now the government tells Canadians to forget that budget, forget the $34 billion it would add to the debt, forget the $100 billion it proposed to add to the debt in the next four years but trust it today, for in the last 32 weeks it has been mystically reborn and sees the evils of it spendthrift ways.

It is this confusion, this flip–flopping or lack of focus that leads Reformers to call for the government's clear vision of the role it will play in the economy. To date the vision of the government and its role in the economy have been shortsighted at best. It continues to intervene in the marketplace creating disincentive for investments, disincentives for Canadians to work and disincentives for Canadians to spend.

One way in which the government stunts the wealth creating potential of the economy is through its measures of taxation, and the Liberals know all about taxation. The capital gains tax exemption was removed in February's budget and this will discourage people's will to invest. We pay tax on interest in savings accounts and now there is talk about taxing RRSPs.

**An hon. member:** Never.

**Mr. Harris:** The government should never say never to taxes. We have income taxes, consumption taxes, property taxes, visible and invisible taxes, all under the assumption that government is better than the private sector at redistributing wealth to create economic growth and jobs in the country. I would argue that this is fundamentally wrong thinking. The surest way to create growth in the economy is to leave more money in the pockets of the investors and the consumers. Let them decide where their money will be spent, invested or even donated.

People speak of an impending tax revolt. I would suggest the tax revolt is well under way, considering the record of the Liberal government and the management of its financial house. An underground economy is flourishing. It is estimated at over $100 billion a year.

The government and its predecessors believe in the fallacy that increased taxes bring in a proportional share of increased revenues. That is absolutely ludicrous thinking. Taxes upon taxes upon taxes create disincentives to employment and investment. Will these shortsighted Liberals ever see that simple truth? I think not. As Michael Walker stated, such disincentives are creating a generation of workers who see no point in tiring themselves for paycheques that increasingly go to the government.

Apparently the government has been through some sort of magical awakening in the last few weeks. It is the recent contention of the Minister of Finance that "whatever fiscal action is taken, the bulk should come from cuts in program spending". Reformers rejoiced when they heard that; if only we could believe it.

• (1745)

In February the minister boosted the budget of his own department by $1.4 billion for 1994–95. He raised DIAND's budget $400 million and nudged citizenship and immigration up $80 million. In that same budget the Minister of Finance launched 18 new programs and 15 new studies.

February's budget also introduced a $6 billion credit card infrastructure program. As we heard earlier, among other things the program involved the covering of boccie courts, building stands and hockey arenas in my colleague's home town, and building the canoe hall of fame in the Prime Minister's own riding, a $6 billion borrowed money program that is still to this day staunchly defended by the Minister of Finance as necessary to stimulate the economy.

Now a few months later the Minister of Finance is looking for $9 billion in cuts. Has he suddenly become a believer in balanced budgets, a firm believer in the problems debt and deficit cause in economic growth?

Considering the flip–flop, how can Canadians be anything else but confused? How can they have confidence in a government whose initial vision was to spend, spend, spend to create wealth and growth in the economy and then a few months later its vision is that it cannot spend, spend, spend to create growth. This has to be confusing to a lot of Canadian taxpayers. Canadians want to know what the vision of this government is. All we have had so far is talk. They want to see a clear vision, not confusion, not flip–flopping.

This government is content to stumble around in the dark attempting to determine if it is time to spend or cut. It is certain of one thing and it is something Canadians are becoming increasingly tired of. When in doubt, if you lack the political guts to make necessary cuts you raise taxes.

If the government is looking for cuts it need look no further than its own crown corporations. VIA Rail, the CBC, the St. Lawrence Seaway, CMHC, and Ports Canada consume $3.6 billion of taxpayers' money. I would suggest if these are not viable corporations, if the government cannot operate them without incurring deficits then why does the government so steadfastly cling to them? Literally, we simply cannot afford arguments over sentimentality in order to justify the government taking financial shortfalls in these companies.

If the government cannot at least break even in these operations then maybe it is time to cut them loose, turn them over to the private sector. It is unfair and indeed ludicrous to return to the Canadian taxpayer year after year requesting more money to prop up a multitude of failing government business enterprises. The government should get out of the business if it cannot run it at least at a break even point.

If we take the $3.6 billion spent on these crown corporations and add it to the $6 billion wasted on the credit card infrastructure program, we arrive at the $9.6 billion in cuts, or approximately what the finance minister is now seeking.

I want to talk about public input. This government continues to speak of consultations with the public, not just any consultations but consultations which are successively unprecedented. The Minister of Finance once again has promised unprecedented consultations on the run up to his new budget. This was promised before the February budget.

How many Canadians favoured the removal of the capital gains exemption? How many Canadians favoured adding some $34 billion to the national debt? I would be interested in seeing those numbers but I do not think this government has them. I do not think they exist.

This government's definition of run up consultations is a sham. Extensive unprecedented consultations are a fabrication of this government. The Minister of Finance admitted as much before the Standing Committee on Finance when he stated: "Government by necessity has the final word". Remember this when the government says: "We know you do not want RRSP contributions taxed but by necessity we have to levy a tax on them". Or the minister might say: "We know you do not want to pay higher income taxes but by necessity we have to raise them".

• (1750)

This government should put questions concerning cuts or taxes to the people, really to the people, through a referendum or through their respective MPs in this House. Do not patronize them by considering the issues to be too complicated for them to understand and do not patronize them with arguments of necessity.

If this government were truly looking at a new vision for its role in the economy it would be looking to the people for direction through referendum or through the people's MPs to determine where to spend, where to save and where to cut. Instead unfortunately, the taxpayer is handed lines about necessity as the government makes unilateral decisions.

In conclusion, the government should be looking at lowering taxes and cutting spending in order to eliminate the deficit and eventually the debt. It should be looking at unloading a number of unprofitable crown corporations. It should be looking at removing itself as the blockade to Canadian ingenuity and entrepreneurship.

Instead, from this government we see a spendthrift budget followed much later by calls for thriftiness. We see a government hiding behind claims of necessity instead of actively consulting with taxpayers on how their money is spent. We see no vision, but we see more finger pointing at who got us into this mess. We hear of more consultations and we hear of more taxes.

With such a strategy for our country's economy, investor and consumer confidence will continue to deteriorate. Our impending financial crisis will continue to loom. All I can say to the Canadian taxpayer is: Hold on to your pocketbook as long as the Liberals hold on to power.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, after listening to the hon member's speech, it is obvious he does not understand the role crown corporations play in this country. The member said that we should put the existence of some of these crown corporations to a public vote. That is a pretty good idea because I believe the reason we have crown corporations is that they fill a role that a lot of private corporations would not take on. I am talking about services to remote regions and disadvantaged regions.

I think of Pacific Western Airlines, for example. It needed the Federal Business Development Bank for its initial loan in order to get off the ground. It was a government instrument that assisted that company in getting started. We can go from airports, trains and post offices to the Canadian Broadcasting Corporation. The CBC is an instrument which pulls this country together. In some parts of Canada the CBC is the only communication Canadians get. These Reformers just want to cut, cut,

cut to a point where there will not be anything left to hold this country together.

We on this side of the House realize that we have to run a lean government. However, we are not going to buy their notion of turning it into a mean government.

I wish the Reform Party would also spend some time talking about some strategies for growth. Put some ideas forward that will help small business. The hon. member is sitting next to his colleague who worked very hard for seven months to put some specific ideas forward to help small business get access to capital.

The Reform Party should spend a little less time on the deficit and a little bit more time on how we create jobs.

**Mr. Harris:** Mr. Speaker, asking me how to create jobs is the easiest question in the world to answer, and I will answer it for this hon. member.

The biggest impediment to economic growth in this country is the cost of doing business. Our taxation levels are among the highest in the world. We have taxed ourselves out of the competitive market in our manufacturing, our service, our production. The answer to getting business and industry off the ground is to give them some tax relief.

• (1755)

If the government had turned the $6 billion it spent on the infrastructure program into a $6 billion tax break for private business, it would not have just created the 7,000 or 8,000 jobs that it did, it probably would have created about 40,000 jobs. As a matter of fact, I could be corrected but I believe the Minister of Finance some time back said that it would create 40,000 jobs but that just did not come about. If the government would get off the backs of private businesses and give them some tax breaks, some tax incentives to expand and develop and to grow and hire more people that would create economic growth.

I want to talk about the crown corporations. I realize that some crown corporations play a vital role. However that is no excuse for the government's inability to run those crown corporations at least at a break even point. We are not asking the crown corporations to make any money, just break even at least.

The hon. members on the other side always make Reformers out to be the slash and burners, the hackers and cutters. All we want is a government that can operate something at least at a break even point.

**Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, for one year now that party has been the party of gloom and doom, the end of the world is coming. It has been the cut, cut, cut party. In fact if those members are looking for an alternative name they might call themselves the gloom and doom party or the cut, cut, cut party. I rather prefer the second because it has more rhythm.

Looking at the opinion polls, why is it that Canadians have favoured the Liberal Party, the party that is in government today, with its gradual approach to the creation of jobs and the reduction of the deficit and the debt? Why is it that their party's support, whatever little support it had, is evaporating quickly? Surely the majority of Canadians have a good sense of judgment. Surely the majority of Canadians know what is happening.

Those hon. members talk about the infrastructure program as being inappropriate. First of all, they know as well as I do that it was not new money, it was reallocated money. I wanted to correct that.

Is the hon. member supportive of his other colleague's remarks that the infrastructure program is not good for Canada, that the infrastructure program jobs are not appropriate jobs? I want him to confirm or deny that. Because the infrastructure program has created a better, superior infrastructure, does that not make it easier and better for us to be competitive, thereby creating long term jobs?

Will the cut, cut, cut party, the gloom and doom party respond to that please?

**Mr. Harris:** Mr. Speaker, I prefer to refer to our party as the party of reasoned logic. There were a number of questions. I would like to answer them one at a time, if I may.

The hon. member referred to Canadians as being supportive of the Liberal government and what it is doing. We know how polls work. If we make 1,000 phone calls, 500 of them are made in the province of Ontario. Of those 500, 400 are probably made in metro Toronto. The same ratio applies to the province of Quebec. Those provinces are in pretty tough shape because of mismanagement by not only the federal government but also the provincial governments. In British Columbia and Alberta where the economy is better because we did a better job of it out there, it is not exactly the same as what the polls indicate. Let us be fair about the polls.

The hon. member talks about this $6 billion as being reallocated money. He is talking about taking the $6 billion savings, the savings in Liberal terms, from the helicopter deal and reallocating it to the infrastructure program. That money was not spent yet on the helicopter program. It was cancelled. Just because you do not spend the money that is not savings. This government chose to spend it. It chose to borrow $6 billion and go in the hole $6 billion more.

There is a simple truth and it is worth repeating. If the government formula of funding to create jobs, the billions and hundreds of billions of dollars that the Tories spent and the Liberals spent before them and now the Liberals are spending again worked, everyone in this country would have about six jobs for goodness sakes.

**The Speaker:** My colleagues, we have about one minute to 6.02 p.m. I think I will call it 6.02 p.m. and then we can get on with the rest of it.

As it is 6.02 p.m. sort of, it is my duty to inform the House that pursuant to Standing Order 81(19), proceedings on the motion have expired.

The House will now proceed to Private Members' Business as listed on today's Order Paper.

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# PRIVATE MEMBERS' BUSINESS

[*Translation*]

## BANKRUPTCY ACT

The House resumed, from June 9, consideration of the motion that Bill C–237, an act to amend the Bankruptcy Act (priority of claims), be read the second time and referred to a committee.

**Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.):** Mr. Speaker, thank you for this opportunity to participate in the debate on this bill presented by the hon. member for Portneuf that would give employees and travelling salesmen higher priority than other creditors in the proceeds realized from the property of a bankrupt party.

The bill before us provides for payment up to a limit of $9,000 per person as the first priority in bankruptcy proceedings. The existing legislation does, in fact, cover workers. In it, workers benefit from a preferred claim to cover wages they earned during the six months immediately preceding the bankruptcy, for up to $2,000. The current legislation is not a perfect solution to the wage earner protection issue, but it is an immense improvement from the situation that existed before the Bankruptcy and Insolvency Act was amended in 1992 as a result of Bill C–22.

Hon. members may recall that before then, workers had a preferred claim for only up to $500 in unpaid wages and commissions. That level was established in 1949, when $500 represented three months' wages. Since 1949, numerous attempts have been made to improve wage earner protection. In 1970, the report of the study committee on bankruptcy and insolvency legislation recommended doubling the preferred amount, from $500 to $1,000.

Bill C–60, tabled in 1975, contained a provision for the full super–priority of wage claims up to $2,000.

• (1805)

In 1980, the Standing Senate Committee on Banking, Trade and Commerce assessed three possible solutions. The first was to establish a super–priority for wage claims, ranking them before all secured creditors' claims. This is the solution proposed to us today by the hon. member for Portneuf.

The second proposal was to establish a modified priority for wage earners, ranking their claims before claims of creditors with security on current assets, such as cash, inventory or receivables.

The third possibility was the creation of a wage earner protection fund.

The committee maintained that administering super–priority and modified priority would be very difficult, the biggest problem being how to share the burden among the secured creditors, given the large number of possible guarantees. Super–priority was very likely to limit access to credit for labour–intensive industries. Payment would certainly not be guaranteed, much less the speed of payment.

The Senate committee recommended establishing a wage earner protection fund that would be financed by all employers, based on the number of their employees, and by employees themselves, who would contribute a modest amount.

So it went, that between the Senate committee report of 1980 and the new Bankruptcy and Insolvency Act of 1992, several more reports were to address the same perplexing issue of protecting the interests of wage earners.

In total, there have been seven bills and seven reports all trying to address this recurring issue. Super–priority has been proposed before. It has been examined and rejected, as has the proposal of a fund from government revenues or a tax.

In the coming months, the Minister of Industry will receive the recommendations of the Bankruptcy and Insolvency Advisory Committee that has been struck to look into reform of the Bankruptcy and Insolvency Act. In the meantime, Industry Canada has been collecting data to help us make more informed decisions. When we examine these issues, we need to know the full extent of the problem, and how much it would take to resolve it.

We must be able to answer a number of key questions before we can make intelligent choices on the options available to us.

In how many bankruptcies do employees lose their wages? How much have they lost so far? Do the trustees refund part of the wages owed to them? How soon are these refunds made? To date, how much money has been available from the bankrupt parties' property to pay creditors?

I am sure that my colleagues on both sides of the House will want to reflect on these questions before they set about to reform the bankruptcy laws to provide some kind of wage earner protection. We do not have the answers now. We cannot assess the impact that Bill C–237 might have. I would suggest that this House let the government proceed with its fact–finding. I would also suggest that it give the government time to receive the recommendations of the advisory committee. On that basis, I

will vote against the legislation before us, and I recommend that my hon. colleagues do the same.

• (1810)

[*English*]

In total there have been seven bills and seven reports all trying to address this recurring issue. Super priority has been proposed before. It has been examined at some length and rejected as has the proposal of a fund from government revenues or a tax.

In the coming months the Minister of Industry will receive the recommendations of the bankruptcy and insolvency advisory committee that has been struck to look into reform of the Bankruptcy and Insolvency Act.

I believe we need to know and have this report before we can proceed in the best possible way.

**The Speaker:** Order.

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, this bill is one that I really want to speak in favour of. As a business person prior to coming into this Chamber, I am very much aware of the fact that the success of any enterprise can only broaden on the basis of the input of the people who are working for that enterprise.

Very frequently in small enterprises we have the entrepreneur who goes to the wall in terms of his own personal finances, the entrepreneur who puts absolutely everything on the line and probably pours an inordinate number of hours into the work. Then the entrepreneur, his wife, his immediate family or relatives might get one or two more people working. At some point we have employees coming into this growing business.

I will make up a word picture to have a look at what is happening. The entrepreneur has $50,000, for the sake of discussion, that he can bring to the table. Perhaps he collapses some RRSPs or whatever the case may be. He decides he is going to go into the pizza business. He suddenly uncovers the fact that he is going to require at least $150,000 worth of equipment in order to just be in the basic pizza business. If he is going to actually get into a restaurant, the number is going to go way up from that point.

Where is he going to go and where is he going to get the money? Let us step aside for a second and talk about the large enterprise, not perhaps as large as General Motors, but a larger enterprise that might have 100 or 200 people working for it that is in business at the moment. It is not infrequent that at this particular point in time that entrepreneur who perhaps has been in business longer, where there are now millions of dollars actually invested in the firm, will still have his house tied down with the bank as security.

I say I want to speak in favour of this because I am sympathetic toward the motivation. After all is said and done, employees are simply an extension of the business owner, of the entrepreneur, of the corporate culture. When a business is reaching a point of downsizing and things are closing in, those employees can make the difference of whether that enterprise will work or not.

With this kind of protection they might be more inclined—after all we do have to look after ourselves in the business world—to give of themselves and be more sympathetic and actually make this enterprise continue to work. If they do not have any protection it is conceivable that either the larger or the smaller business could miss a pay day or two. We are looking at the pension side of things. It is entirely possible that by continuing to work the employee is actually working to his or her own personal detriment.

• (1815)

If we want to have them completely on side and in the back of their minds they are working to their own detriment, is it not better to have this legislation in place?

I repeat, I want to speak in favour of this bill, but I cannot. The reason why I will not speak in favour of this bill is because the biggest single problem, particularly for small business in Canada today, is working capital or equity or just the wherewithal to get the job done.

At the moment it is not infrequent that businesses are faced with a situation of triple or quadruple security. The first thing the bank is going to say is: "We want your inventory". If that happens to be men's socks or widgets, flanges, gaskets or car parts, it does not make any difference. The bank says: "We want security over your inventory". It will not apply any value. It will not actually give any value. It just wants it.

Second it says: "We want your accounts receivable". That makes sense because in business terms we have converted an asset to a negotiable security, as it were. This is an account payable. If it is 60 days or under it is a current asset. This is something that the bank by assignment can actually make use of. However it is not at all infrequent for the bank to say: "We are only going to give 75, 65, 50 per cent of the value of your 60 day's accounts receivable". This is the reality small business is faced with.

We come back to our little pizza shop owner. The bank will also say; "By the way, we also want to have some way of attaching a mortgage to your equipment". Everything is absolutely tied down.

I suggest to the hon. member who proposed this bill, and there is no question in my mind that it was proposed in good faith, that if he actually speaks to the small business people in his constituency he will find that everything is completely tied down. Can he imagine that the bank or the lending institution of the business person's choice is now going to be told: "Oh, for every employee that I get, I will be guaranteeing up to $9,000 for that employee that you will not be able to touch".

That will be first charge. You will not be able to get to your pizza oven. You will not be able to get to your metal press. You will not be able to get to anything until that $9,000 per employee is satisfied. I suggest to the member that we would be shutting down the ability of small and medium sized businesses to get the cash they require to do business on an ongoing basis.

I want to vote in favour of this. I understand the motivation of the member in proposing it. I want to support the employees because they deserve support. I want to support them because they are the lifeblood, the reason why a business is going to succeed. I want to vote in favour of it but I will not because without the ability to have access to adequate funding, in putting employees first the business will not exist and the employees will not even have a job to go to.

It is with regret that I must say I will be voting against the member's bill.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I am happy to have an opportunity to speak on Bill C–237, which provides a super priority for wage earners and travelling salesmen who can claim up to $9,000 owed to them in the event of bankruptcy.

• (1820)

I would like to begin by picking up the point of the Reform Party member about how difficult it is for small and medium sized businessmen and women to get access to capital today. Because small business has a difficult time in getting access to capital, quite often the supporting suppliers to a small business will put their product or material into the business knowing that they have put themselves in a secure position. In fact when small businesses cannot get capital it is their suppliers that keep them going and help make them viable.

This bill is not only going to affect the way the banks look at financing small businesses but it will also create a situation with the suppliers where they will be hesitant in putting their product into a small business environment at a very generous credit condition.

We realize first of all that bankruptcy and insolvency are very complex issues. In the event of a business failing and going bankrupt there is only one pie to divide. If suddenly the priority is put on the wage earners and the travelling salesmen at a $9,000 level, not much room is left in many instances for the other components in the business equation.

I would like to repeat that the intention of the member is right. It is a complex issue. We amended the Bankruptcy Act just two years ago. Currently the Minister of Industry has the department developing a database on all the activity around bankruptcy cases. These studies are ongoing.

I really believe it is inappropriate to support this bill at this time. We should wait until we have the results of all that data which is being collected.

The member for Kootenay East has said something about the importance of the employee to the viability of the business. I share his view and I obviously believe that would be the view of the member for Portneuf as well.

In a case where we are putting all of the employees in a business in a super priority position at $9,000 per person, this would really affect the ability of a small businessman or woman to obtain the support that is usually required from banks. As we all know, even in the current condition banks are making it very difficult for small businessmen and women to obtain the necessary capital to meet their business plans and their objectives. Until we have the banks acting more progressively and until their attitudes change toward small business, this bill should be defeated.

The other thing I mentioned has to do with suppliers. I believe that if we sent a signal in a business that if the employees want to show confidence in what they are doing they should not be doing it by putting themselves in the priority position to the tune of $9,000 a head. That in turn might have an adverse reaction on the suppliers to the business. Quite often in small business situations these suppliers can make the difference in viability, as I mentioned earlier.

• (1825)

**Mr. McClelland:** Are you talking about somebody working on a loading dock?

**Mr. Mills (Broadview—Greenwood, Lib.):** We are talking about wage earners and travelling salesmen. The bottom line is as the member for Kootenay East said, if you have a small business it might only employ 10 to 20 people. You are talking about a priority call of $180,000 just on 20 people. A first charge of $180,000 on a business is a heck of a lot of money.

Everyone knows I am a believer in equity participation. I used to work at Magna International. I believe one of the reasons that company has grown from seven employees to 20,000 is because every employee has shares in the company. They have a piece of the equity. That is the reason they make better products at more competitive prices. But that of course is not what we are debating here today.

I would ask all members that we defeat this bill and that we wait until the final results of the study come from Industry Canada on all the current activity in the bankruptcy area as a result of the last bill.

[*Translation*]

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, even if there are limits to what one can say in this House, I am outraged and shocked at what I just heard. On the one hand, very generous speeches on workers and employees, all those people who make it possible for the big shots to get richer. On the other hand, a

compassionate one on those poor small and medium–sized businesses having serious difficulties, and I agree businesses do experience difficult situations. But who do we want to protect here? The banks? In that case—

**An hon. member:** The suppliers.

**Mrs. Lalonde:** They can go back at any time and get all of their supplies back from the businesses.

This is a ludicrous situation that has been going on for years. I worked in labour organizations at one time, a while ago, but in those days, I must tell you I fought hard for the value of employment to be recognized. I will come back to that aspect some other time. For years now, workers have been in a situation where they are thrown out on the streets without notice and with no means of getting paid for salaries owed to them, no pension fund and no vacation pay, compensations they earned by working hard and that are owed to them. They are totally helpless and deprived of everything. Now we say it is because of the banks.

This all powerful House of Commons could certainly give some thought to this issue. I think members here must vote according to their own consciences because we all know this is a matter of principle. It suggests that the government deal with this issue as a priority.

I understood very well the speech made by my friend—I am sorry, I meant my colleague—here besides me and I cannot say I am insensitive to what he said, but I will reply the same way. We cannot let others tell us what to do regarding workers who have earned salaries, small salaries, when we see banks threaten not to finance them.

• (1830)

I am proud of my colleague who is here in the House. Let me explain that the maximum of $9,000 he mentioned when he introduced this bill, would, of course, be an exceptional situation because in most cases, employers pay salaries on a weekly or bi–monthly basis. It is an exceptional situation, but there have been cases where some very substantial amounts have accumulated.

The hon. member also pointed out that if they are protected, employees will be more inclined to take a chance to help a small business through a rough patch, if they have the assurance—as my colleague argued—that they will recover their stakes. This aspect can be extremely important for a small business because, as far as I know, the banks often do not treat them very well and give no warning before they pull the plug, as they say.

Consequently, it is important for small businesses to know that employees will have certain guarantees and will be able to stick with their company, even when times are hard. Today, however, employees bear the brunt of these hard times, while when business is good, they do not get any of the profits.

To me, it is a case of elementary social justice. I think we should look at what we can do to make the banks take this into consideration. In fact, the government has promised it will prepare a plan for small business financing and for dealing with their specific problems. But it should not let the success of small businesses depend on their ability to avoid paying the wages, annual leave and pension benefits to employees who earned them.

I expect the House to vote in favour of this bill. It is a vote that reflects a principle and a commitment and tells the government: Do what governments have been promising all along and what workers now consider to be a running gag. If that is what the unions think, you can imagine what non–union workers are saying.

**Mr. Benoît Serré (Timiskaming—French River, Lib.):** Mr. Speaker, it is a pleasure to rise today and discuss Bill C–237. This bill proposes to change the priority of payment of claims provided for in the Bankruptcy Act so that employees be the first to be paid in case of their employer's bankruptcy.

The hon. member for Portneuf is proposing to pay these claims, up to a limit of $9,000, to each employee of the bankrupt business. I congratulate him for this very commendable initiative.

At first glance, and before thoroughly examining the consequences of this bill, I would have been tempted to support it. However, after some deep thinking and research on the issue, I came to another conclusion, at least for the time being.

I would like to remind the hon. member that the contents of Bill C–237 have been proposed many times in the past. And each time, that proposal or another one such as this has been thoroughly examined. I am alluding here to seven pieces of legislation that have been moved since 1970 on the issue of employee protection, as well as seven other reports that were tabled on that issue since that time.

Finally, these failures led the previous government to forgo the provisions relating to the wage claim payment program in order to have other provisions of the Bankruptcy and Insolvency Act adopted. There should be a clear message here.

There is still room for improvements, but the present situation is better than the one which prevailed in 1992, when the act was reviewed.

• (1835 )

At that time, employees could expect only $500 if they lost their jobs when their employer went bankrupt. Now, workers have a privileged claim up to $2,000 for the six months preceding the bankruptcy. The new provisions of the legislation provide that no tribunal can approve a proposal unless it includes payment of wages owed to the workers up to $2,000 per worker.

Bankruptcy and insolvency are complex issues, but the general picture is easy to grasp. There is a single cake of finite size. If you cut a bigger slice for one group, let us say the employees, clearly the remaining slices will be smaller. If a super–priority is given to one of the parties, it will be more difficult to pay the others, including secured creditors.

We have no other choice but to look at the whole picture, which requires time, expertise and concerted efforts. We must, at least, have a good idea of the impact one priority will have on all the others. Even if all parties co–operate and work harmoniously, a certain balance will have to be struck when dividing the cake.

Who should carry the burden of paying the employees up to $9,000 in the present difficult situation? What would the consequences of such a measure be on credit institutions, when fledgling or shaky companies come knocking on their doors with a potential debt of $9,000 per employee? What will they say to these companies who might employ more people than they should? Can we accept that they be penalized because they created jobs in an economy where jobs are difficult to come by?

Moreover, should employees show solidarity and assume, with those who really benefit, part of the financing necessary to protect a large work force? Briefly, let us say that we do not know precisely what measure would protect the workers more effectively, but Industry Canada continues to collect data, while the debate goes on. At the very least, establishing a super–priority, whether for employees, creditors or consumers, would have serious implications for everybody concerned.

The whole economy will feel the consequences. Until the government has answers to these questions and many other crucial and closely related questions which directly affect the superpriority issue, it is useless to try to deal with the complexities of specific priority claims. The claims of employees are part and parcel of the larger issue of bankruptcy reform, that we will be debating in upcoming months.

I would be hard–pressed to choose between the priority rights of the employees, or those of the suppliers, who have the right to take back their merchandise, or those of the buyers who made their purchases in good faith, not knowing that those goods were about to be repossessed. Again, if we put companies in such a position that they have to close down or if we create a situation where their available capital will disappear, their employees will have to look for jobs somewhere else.

We are still at an early stage, maybe not so early if one considers the history of Canadian workers, who had been expecting for a long time what they finally obtained in 1992, but nevertheless it is early in the context of the new legislation and of the related review process which should be completed by 1995.

• (1840)

It was a fierce battle from the beginning, and it took 40 years before we could get a revision of the Bankruptcy Act in 1992. There was widespread consultation of the people concerned because lots of diverging interests were at stake.

Perhaps those questions should not even be discussed in the context of general legislation on insolvency. The government must consider a debtor company's capacity to negotiate its successful restructuring.

Again, this is a web of very complex problems. In order to devise legal options that really work, the people concerned and the government must co–operate. We must all work to maintain the process by means of a review after three years and people must inform the government of any aspect which is of importance to them.

Another way to protect the reform, in political terms, is to try to guarantee government the largest possible consensus among stakeholders on any future reform. That is what we are trying to do with our consultation and partnership approach.

I am convinced that the member for Portneuf has no desire to introduce a bill that would imperil the jobs of those very workers that he is trying to protect. I am equally convinced that he would not want to help a small number of workers at the expense of the majority. In no way am I questioning the good intentions of this bill's promoter. I am not necessarily taking sides in this matter. I am merely trying to obtain more information in order to understand the real effect of this superpriority.

In my opinion, the House should consider employee protection in the larger context of bankruptcy, and to do so, it should wait for the results of studies already under way. I also feel that it is too early to evaluate the repercussions of the priorities which, as I said, are mentioned in the new Bankruptcy and Insolvency Act. We must tackle the various aspects of bankruptcy, ranging from the international to the individual level.

The House should go ahead with its review and allow the government enough time to receive its advisory committee's recommendations on the matter. Consequently, the House should reject Bill C–237, at least for the time being.

[*English*]

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it is a pleasure to rise today speak to Bill C–237, an act to amend the Bankruptcy Act.

When I review the intent of the bill a couple of things strike me. First, the intention behind it is certainly good. It says something about the person who has moved the bill, that they want to protect the employees of a business that has gone bankrupt. Certainly all Canadians sympathize with people who would be denied their wages because a business has gone

bankrupt and they are not at the top of the list of the secured creditors but are well down the list.

Having said that, I am also struck by another concept that I read about some time ago and recently reread. It just really impressed upon my mind how often we get away from this whole idea in government when we are making important decisions that can affect individuals and businesses across the country.

I remember reading in a book by an economist by the name of Henry Hazlitt about how often one of the greatest failures of economists and people who are making decisions that affect economies is to not foresee the secondary and unseen effects of the measures they are proposing. With respect to my hon. friend in the Bloc I think that is what we have done in Bill C–237, an act to amend the Bankruptcy Act.

• (1845)

One of the unseen effects of the legislation—and other members have referred to it—is the kind of incentive there would be for banks and providers of capital to continue to provide that capital to businesses.

Banks are already very reluctant to provide capital to businesses for a number of reasons. My hon. friend from Kootenay West went through a litany of the things that banks require before they will lend a business money. Now the amendment to Bill C–237 is proposing to put one more impediment in place that would cause banks to think twice about funding a business.

That is a great concern to me. It is a great concern to the government across the way and I believe to the Bloc. As has been referred to many times in the House, the great engine of the economy in Canada is small business. Small business creates 85 per cent of all jobs in the country.

On one hand the bill appears to be protecting employees. On the other hand we do not see all the jobs it would prevent from being created because banks and other providers of capital would be reluctant to lend the money knowing their loan is not secured under the proposal.

That is something we have to be conscious of, particularly in the competitive environment we have today not only within Canada but within North America and certainly around the world. There are all kinds of different advantages that other countries have and will try to use against us to get their share of the market.

We are a relatively wealthy country. We can attribute that to the small and medium sized business to a great degree. We have to be conscious of the types of burdens we impose upon them when we propose to do what seems on the surface to be a very good thing. Canadian businesses, small business in particular, are the creators of jobs and all that wealth out there.

I am not certain the hon. member has really taken that into consideration. Banks and anybody else who provides capital have many options when they think about where they want to invest their money. Capital is very fluid. It flows to where it gets the highest return and where the risk is the least. One thing that may happen if the bill were passed would be that banks would start saying that they do not want to fund small businesses because they are not going to be a secured creditor. Another thing that could happen is that they would fund them but raise interest rates. They would put on a risk premium because they are concerned about losing their money.

We already have a problem in the country where we have some of the highest real interest rates in the world, which again hurts our competitive position. We have to think long and hard about the repercussions. If we are in that position where businesses are forced to pay higher interest rates then we will have a situation where there will be less jobs created.

Those are the things we never see and are never reported in the newspapers: the jobs that are not created and the businesses that are not started because of legislation. It is very easy to point to a plant closing somewhere and say: "Is it not a shame those people did not get their two weeks' pay?"

Is it not also a shame when people do not go into business because they know the bank is going to turn them down? The bank is not confident it will get its money back because it is not at the highest level on the list of claims; it is not a secured claim.

We can take a look at what the government is proposing in many areas. Infrastructure would be a good example. Any time the government prepares to intervene in the economy we have to think about the secondary and unseen effects.

• (1850)

There is another aspect that I would ask hon members in the House to consider. What if a supplier to a business is barely hanging on and has a lot of employees who are trying to keep their jobs? They do not want to end up on the unemployment or welfare rolls, yet all of a sudden the position of the struggling business is not secure any more. The government has extended the misery a little further down the line. The next guy down the line is in a position where he may be forced into bankruptcy and people may be out of a job because of the situation the government has imposed by approving Bill C–237.

There are effects that go beyond the banks and interest rates. There are also the effects on suppliers. Suppliers may be very reluctant to extend supplies or inventory to anybody but the most secure businesses.

In this environment in this day and age we know that no such businesses can be completely guaranteed against failure. Over the last recession we saw businesses fail that were in operation for not only tens of years but in some cases over a hundred years. That speaks volumes about the competitiveness of the environment and perhaps a bit about the instability of the business environment. Even in the best of times businesses cannot be counted upon to survive because they always have more and more competition.

I know members of the Bloc are supporters of free trade. We now have trade deals with the United States and Mexico. I am not aware of any such legislation in either the United States or Mexico that would parallel this legislation. In other words, we would be putting a burden on Canadian businesses, Canadian suppliers and Canadian providers of capital that does not exist in some other countries around the world, in this case particularly the United States and Mexico.

A couple of things could happen. First, businesses in the other countries will have a competitive advantage over Canadian businesses. Entrepreneurs from this country and Quebec can go south of the border. Perhaps they can go to Mexico if they have any type of business idea that will prosper no matter where it starts up. They can go there to escape the type of legislation we are talking about here.

Another thing that can happen is that capital can flow out of this country to more friendly environments where capital is treated with a little more respect. Maybe another way to put it is that the business environment is a lot more friendly. As I pointed out a minute ago, capital always flows to where it can get the best return and where there is the least risk.

In this day and age in this environment in Canada we have a $535 billion debt and we are going into debt at a rate of $40 billion a year or perhaps even more than that. We have some of the highest interest rates in the world. We have some of the highest taxes in the world. We have all kinds of competitive disadvantages. We have hot competition because of free trade with the United States and Mexico. Through GATT we have more trade pressures from around the world. Given all these factors I think it would be foolhardy to support the legislation. Therefore I will be voting against it.

[*Translation*]

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, it is with great pleasure that I rise in this House today, October 25, 1994, a year after the election. I would like to thank the people of Trois–Rivières for having placed their confidence in me and I hope that I have been worthy of it. I can assure my constituents that I will do everything in my power to keep their trust.

• (1855)

I would also like to briefly thank my organizers at the time, 800 party workers who, on October 25, 1993, worked for my election under the capable leadership, I would like to point out, of Diane Talbot to whom I paid tribute this morning.

I am pleased to take part in this debate on Bill C–237, An Act to amend the Bankruptcy Act (priority of claims). The bill's explanatory note reads as follows:

> The purpose of this bill is to change the priority of payment of claims in case of the bankruptcy of an employer, in order that the wages, salaries and pension plan contributions of an employee, up to a limit of nine thousand dollars, be paid in priority to any other class of claims.

At this stage, I wish to commend my colleague, the member for Portneuf, for his determination, insight and courage in presenting this very socially–oriented bill, it must be said. Some societal choices are implicit in such a bill, in such a way of looking at things.

This issue was discussed in Parliament for the first time in 1919. However, even though most of the discussion on this idea of priority or super priority of wage claims has occurred over the last 20 years, the bank lobby always seems to win out, at the last minute. That is obvious in all the documents one can read on the issue.

When a bankruptcy occurs, there are secured creditors, preferred creditors, and then common creditors. Workers rank fourth among the preferred creditors.

We have to realize that a bankruptcy means something painful and sad which someone has to pay for. Since we can identify at first glance four types of major players that are always there: the government, the suppliers, the lenders and the workers—there are always four types of players—we must ask ourselves who is in the best position to assume the loss. Who is the most vulnerable? We could quickly analyse this.

Is it the government that has the most to lose? If it assumes some losses, despite the disastrous budgetary situation that it is in right now, this will always represent, in terms of revenue, of shortfall, a drop in the ocean. If ever the situation that is advocated became as dramatic as that in terms of lost revenue, the government could always change the act, since it has this legislative authority as well as being a player in the debate.

There are the suppliers who can pay, and they are increasingly better protected by the new Bankruptcy Act that was changed last year. If they sustain losses, they can file them as bad claims which will reduce their income tax accordingly.

There are lending institutions, particularly banks, for which these are bad claims, first on the accounting level. They could see here a means of improving their social responsibility, of improving their follow–up advice on the case, and perhaps a means of better disciplining themselves, knowing that they will now have something to lose if they pull the plug, as was mentioned earlier.

Finally, there are the employees, who have no leeway whatsoever to make up for the loss that they fall prey to in the case of a bankruptcy when we decide, under the present act, that they will have to pay. They have no way out.

I will put forward a principle that has not been proposed yet, the principle of the most vulnerable. Who is the most vulnerable? A quick analysis shows that in a case of bankruptcy, it is obviously the workers, who foot the bill, and not only directly, since they will not receive any salary and wages and they will have incurred expenses during that period. I am talking about expenses in terms of transportation, meals, clothing and even housing in some cases. And then they find out one, two, three or four weeks later that they will not get any wages, they will not be able to provide a decent living for their family for that period. Moreover, they will have spent money to go to work for an employer who is not able to pay them, which is contrary to the intent of our legislation where a service is provided for a salary.

• (1900)

They say that from now on, banks would be very reluctant to loan money. I take this opportunity to invite people to read the report the industry committee has just tabled. It mentions that the Small Businesses Loans Act will be broadened to include exporting businesses. The Bloc Quebecois made a special recommendation to the effect that the Small Businesses Loans Act should apply to all businesses with respect to loans and working capital. If our recommendation were to be accepted, it would make banks feel more secure when things go sour, since the loans would be guaranteed by the government, which would lessen their losses.

I take this opportunity to say that this is an excellent piece of legislation and that, contrary to those who would like to narrow its scope, I, for one, claim that if we were to review this act which guarantees bank loans, we should make a cost–benefit analysis, taking into account the jobs it creates, the taxes it generates, and the savings in unemployment insurance and welfare it represents.

Once again, I congratulate my colleague. Mr. Speaker, I am quite sure that you would like to know that the sovereign Quebec of tomorrow will be a little bit like this. It will respect individuals who are the driving force of any activity, be it economic or otherwise.

[*English*]

**The Speaker:** My colleagues, the time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

# ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

## THE ENVIRONMENT

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, on October 3 I asked the Minister of the Environment a question about the toxic substances policy she announced on September 27. I asked her when the measures on pesticides would be implemented and what the timeframe for the policy was.

The minister replied that she had the intention of introducing implementing legislation in the early spring. Some suggestions might therefore be in place here tonight.

The goals of this toxic policy are as follows. First, to virtually eliminate from the environment substances that are the result of human activity, persistent, bioaccumulative and toxic. Second, to ensure that all other substances of concern are adequately managed throughout their use so that there is minimum impact on the environment and human health.

Those substances which are persistent, bioaccumulative and toxic are to be virtually eliminated from the environment through a management program that ensures "no measurable release" of each substance. However, when it comes to substances which cannot be controlled, measures will be taken to prevent their generation and use. The onus will be on industry to demonstrate that the proposed management program will ensure that there is no measurable release of the substances into the environment.

The first point that I need to make here tonight is that if we are to have a sound toxic policy in Canada we must ensure that it is based on sound concepts. Clearly pollution prevention is at the crux of this policy. Is it adequate to say that pollution prevention is the control of the release of toxic substances rather than the reduction in their generation and use? Will control of release be adequate to protect human health and the environment?

Second, the term reverse onus is used throughout the discussion paper. Reverse onus is actually intended to mean that no production or use of substances is allowed until it is proven that these substances are not toxic. This burden is intended to fall upon industry and not on the government. Therefore I would suggest the proposed reverse onus should be expended so as to apply to proving the safety of the substances first and then to the management plans.

• (1905)

Third, the definition of toxicity. It is based on the Environment Protection Act definition which states that the substance is toxic if it is present in the environment and in a quantity or concentration that may have a harmful effect on the environment or may cause an endangerment to human health.

Why not then adopt a definition of toxicity that does not have thresholds so high that the scope and effectiveness of the policy is thwarted? For example the policy proposed by the government is intended to apply to all substances used and released into the environment. Is this definition broad enough? Should it not include threats posed to human health on sites where these substances are used prior to the release of the substance into the environment?

Fourth, the concern that for a substance to be considered toxic it must meet certain threshold levels in three different criteria; persistence, bioaccumulation and toxicity. For some reason the proposed policy contains threshold levels that are often higher, less stringent than those proposed by the Ontario government, the priority substance list of the Environment Protection Act. Should we not ensure that we have stringent threshold levels to ensure the safety of human health and the environment?

To conclude, the success or failure of the proposed toxics policy rests on definitions and criteria. If they are too weak then the rest of the policy will be ineffective.

My question to the minister is will the proposed definitions and levels be re–examined and brought up to levels required to protect all life in the long term?

**Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, in reply to the hon. member for Davenport I would mention that a toxic substances management policy was released on September 27 and given a period of 60 days for consultation and comments from the public and other interested bodies.

This period is going to end on November 30, 1994. Obviously among the comments I expect to be received include the key questions raised by the hon. member such as what really constitutes pollution prevention. Today the minister alluded to pollution prevention in a statement in the House as part of the very basis of our objective in trying to pursue environmental and sustainable development goals.

The question of pollution prevention, the definition of toxicity, the whole concept of reverse onus, the whole question of levels raised by the hon. member are obviously going to come up. These concepts or ideas require co–ordination with existing instruments, as rightly underlined by the member, with CEPA and with the other policies and programs of government.

What I strongly suggest to the hon. member is given the high regard in which he is held by all his colleagues in regard to environmental questions, including by the minister herself, is that he provide his input into the consultation process on these very issues that are so crucial to a reliable toxic substances policy.

I would suggest to the hon. member that between now and November 30 he let the minister have his thoughts and I can assure him they will be taken with very serious and constructive consideration.

## FOREIGN AFFAIRS

**Mr. Ron Fewchuk (Selkirk—Red River, Lib.):** Mr. Speaker, on October 19 I rose in the House to ask the Minister of Foreign Affairs what leadership role Canada would undertake to restore the Ukrainian economy after decades of economic and environmental mismanagement under the former Soviet regime.

I was very pleased to hear the minister indicate to this House that last July in Naples the G–7 countries endorsed the proposal of the Prime Minister to host a conference on economic reform in Ukraine.

As a Manitoban and a Canadian of Ukrainian descent I am very proud that the economic conference will take place in Winnipeg on October 27. The meeting will be attended by officials from the G–7 countries.

I understand that a proposal at this meeting is to discuss Ukraine's plan for economic reform and international support for Ukraine's economic transformation. I know that it is important that Canada and the G–7 countries encourage Ukraine to implement an economic reform program in co–operation with international financial institutions.

I was very pleased to hear that Canada is totally committed to Ukraine and has committed over $41 million to over 70 projects. It has been brought to my attention that Canada will further pledge up to $20 million in aid to help Ukraine transfer its economy to a western style market system.

I strongly believe that these projects are an investment in the future of Ukraine and an investment for Canada. These projects will be beneficial for all parties involved. This will open up a whole new market for Canadian businesses. Presently Canada and the United States are the only countries which have pledged their assistance.

During the Winnipeg meeting officials are expected to encourage the G–7 countries to pledge aid. I would very much like to get clarification on exactly how Canada is investing in the future and fostering better ties with Ukraine.

I am also very concerned about the environmental mismanagement that occurred under the former Soviet regime. Therefore I would like to know exactly what is going to be done concerning the environmental cleanup and the prevention of further pollutants being released into our environment.

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, I thank the hon. member for Selkirk—Red River for raising this issue and a number of issues especially when the President of Ukraine is visiting here in Canada.

Canada's special relationship with Ukraine is based on the close ties established with the 1 million strong Ukrainian Canadian community. The Prime Minister has worked to put the G–7 focus on Ukraine.

Canada is hosting, as the hon. member has already said, a conference on partnership for economic transformation in Ukraine in Winnipeg on October 27 which will include representatives not only from the G–7 countries but the European Union, IMF, World Bank, European Bank, Russia and Turkmenistan.

Canada has encouraged the Ukrainian government to adopt genuine economic reform that would be supported by IMF and World Bank lending. We welcome President Kuchma's new reform program which represents a bold step forward.

Canada will continue to play a leading role in supporting reform in Ukraine. Canada and the United States were the only two countries to make pledges during a recent IMF meeting which considered Ukrainian financial needs for the fourth quarter of this year.

During the visit of President Kuchma to Canada this week several new initiatives have been announced. This package includes $23.8 million in technical assistance initiatives which target policy advice on reform, private sector development and nuclear safety issues; $13.5 million in balance of payments support and a new $20 million EDC line of credit.

Protection of the environment is of critical importance to Ukraine, and Canada is demonstrating its leadership in this area through a number of technical assistance initiatives targeting water resource management and nuclear waste management.

Canada was the first donor country to implement a major environmental project in Ukraine.

We are currently supporting a $5 million, three–year project to assist with the rehabilitation of the Dnipro River, the source of drinking water for 70 per cent of Ukraine's population and one of the country's most pressing environmental problems.

**The Speaker:** I thank hon. members for their interventions.

Pursuant to Standing Order 38(5), 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 7.14 p.m.)

# HOUSE OF COMMONS

**Wednesday, October 26, 1994**

The House met at 2 p.m.

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*Prayers*

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## STATEMENTS BY MEMBERS

[*English*]

### REGISTERED RETIREMENT SAVINGS PLANS

**Mr. Janko Peric (Cambridge, Lib.):** Mr. Speaker, I have received numerous letters from constituents concerned about the upcoming budget and whether they can expect to be taxed on their RRSPs.

These constituents believe that an understanding between government and Canadians has existed since the 1950s when RRSPs were first introduced. At that time the government rewarded Canadians who took responsibility for their own retirement by offering both an initial tax deduction as well as tax free accumulation.

Since then thousands of Canadians have assumed responsibility for their own retirement by taking advantage of RRSPs. They have done so in part because of strains on the Canada pension plan and old age security and their need for greater income security during retirement.

My constituents and I feel that any move on the part of the minister to change the ground rules by taxing RRSPs would be unfair and unwelcome. It is our sincere hope that the minister will listen to these concerns and not tax RRSPs.

* * *

[*Translation*]

### IMMIGRATION

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, for several months now, the written press has reported numerous delays in the processing of immigrant files. Ever since the previous government decided to concentrate its operations in Vegreville, Alberta, there has been one problem after another.

All members of this House have been receiving legitimate complaints from their constituents with respect to Vegreville, but the minister does not seem particularly concerned about this administrative catastrophe. Furthermore, services are offered almost exclusively in English. Immigrants and visitors who have all the documents required by the act thus find themselves in an illegal situation.

When will the minister stop insisting that he wants to see his immigration policy rigorously applied, when his department is clearly no longer able to keep up with the routine requests of the immigrants it is there to serve?

* * *

[*English*]

### GUN CONTROL

**Mr. Ray Speaker (Lethbridge, Ref.):** Mr. Speaker, I have received a petition signed by over 2,000 residents of southern Alberta.

I would like to associate myself with the prayer in the petition which reads:

> Whereas there is no proven connection between gun control legislation and a decrease in the occurrence of criminal activity;
>
> And whereas all handguns in Canada are required by law to be registered;
>
> And whereas crimes involving the use of firearms already carry severe penalties under the Criminal Code;
>
> And whereas criminals by definition feel no compulsion to abide by the law;
>
> We the undersigned feel that implementing more restrictive firearms controls which will affect only law abiding citizens is an unjustifiable action and the proper course of action for responsible governments to follow is more effective prosecution and tougher sentencing of criminals.

I will be forwarding the petition to the Minister of Justice.

**The Speaker:** My colleagues, I have no problem with this kind of a statement in the House whatsoever. It is just that we do have a place for petitions themselves and you might want to consider that at a later time. I just make that comment in passing.

* * *

### CYCLING FOR A MIRACLE

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, I have the great honour and privilege to recognize the accomplishments of Suzanne MacLean of Vancouver. Suzanne demonstrated profound courage, remarkable strength and depth of humanity in her recent cross–Canada bicycle journey "Cycling for a Miracle".

Travelling across this vast country is always challenging, but to do so in renal failure and on peritoneal dialysis is truly unbelievable and a miracle in itself.

Suzanne set out to promote organ donation awareness and to raise money for transplant research. However, she has also instilled in us a strong sense of hope and confidence in being able to overcome traditional physical obstacles and in meeting our expectations and aspirations. She has generated tremendous public support for organ donations. The impact has already been felt; Canadians have signed their organ cards and are discussing the idea of donating.

I am proud to have had the opportunity to lend my support to Suzanne and to this worthy endeavour. Please join me in congratulating and thanking Suzanne MacLean.

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## SMALL BUSINESS WEEK

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Mr. Speaker, October 23 to 29 is Small Business Week in Ontario. The week is sponsored by the Federal Business Development Bank in partnership with many local private and public sector organizations that promote entrepreneurship.

It is no surprise to anyone in this House that small business is critical to the Canadian economy. Eight of ten new jobs in Canada come from the small business sector. It employs 4.2 million Canadians and accounts for 37 per cent of the country's employment.

This week throughout Ontario the FBDB will be giving a series of seminars and luncheons which will promote small business, educate participants and pay tribute to the men and women who make this province successful.

We owe a debt to the small business men and women of this country who daily risk everything they have and in doing so create jobs and economic growth for Canada.

* * *

[*Translation*]

## CONTRACTING OUT

**Mr. Jean–Paul Marchand (Québec–Est, BQ):** Mr. Speaker, the government is challenging the opposition to indicate where public spending could be cut. I would like to add a suggestion to the long list the Bloc Quebecois has already submitted over the past year. Yesterday, speaking before a committee, the president of the Professional Institute of the Public Service of Canada denounced the federal government's negligence in the management of contracting out. He presented some pretty ludicrous examples to us, including the one about public servants who retire on a Friday with generous severance benefits, and are hired as consultants the following Monday.

In order to remedy this situation, the Bloc Quebecois suggests that the government have a code governing contracting out, which would ensure transparency in the awarding of contracts and would introduce the right for public servants to denounce abuses. This is another suggestion to add to the list.

Will the federal government finally decide to straighten up its expenditures?

* * *

• (1405)

[*English*]

## ISRAEL AND JORDAN PEACE PLAN

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, I would like to congratulate the people and governments of Israel and Jordan for today's signing of the comprehensive peace deal.

For 47 years Israel and Jordan were divided by war but, to quote King Hussein, "today the two countries will close a dark chapter and open a new book of light". Since the Middle East process began several years ago, there have been many tough moments on all sides. I often wondered whether the obstacles to peace could ever be removed. Thanks to the commitment, dedication and courage of King Hussein, Prime Minister Rabin and many others, today's peace has been achieved.

Now is the time for new friends to come together to learn about each other and forge new bonds. For the children of Israel and Jordan a new and bright future is emerging, a future where they will not fight each other but will work to build prosperity for the Middle East.

On behalf of the Reform Party and all Canadians, I send best wishes, hearty congratulations and the promise of future friendship for all the people of that region.

* * *

## SHIRLEY CARR

**Mr. Gary Pillitteri (Niagara Falls, Lib.):** Mr. Speaker, on October 31, the first woman in the world to head a national labour body and a long term resident of Niagara Falls will be honoured at Rideau Hall. Shirley Carr will be presented with the Governor General's award in commemoration of the Person's case.

Shirley Carr has been a leading advocate of women's rights in the workplace and a role model for women in the labour movement. As the first woman president of the Canadian Labour Congress, she championed legislation to address women's equality and concerns about health and safety in the workplace.

The awards commemorate the lengthy legal and political battle for women's constitutional right to be recognized as persons.

On behalf of my constituents of Niagara Falls, I would like to congratulate Ms. Carr on her numerous achievements and for having been chosen as this year's recipient of the Governor General's award.

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## JUANITA LESTER

**Mrs. Jean Payne (St. John's West, Lib.):** Mr. Speaker, it seems that we have a number of firsts by women today.

I want to congratulate Juanita Lester a constituent of St. John's West who is today being inducted into the Atlantic Agricultural Hall of Fame. She is the first woman from Newfoundland to be granted this honour.

Having been involved in the family farm business for over 40 years and being an active participant in a wide range of farm related activities, Juanita Lester has had a career featuring many achievements.

Dedicated involvement with the Provincial Farm Women's Network, the Avalon Farm Women's Association and the Newfoundland and Labrador Farm Women's Network are only a few of her accomplishments.

Ms. Lester has served on the executive of the Provincial Farm Women's Association and is past president of the Newfoundland and Labrador Federation of Agriculture. She is presently serving on the Women's Institute, the food and livestock and agricultural training committees.

Congratulations Juanita. I am very pleased Juanita has been given this special honour.

* * *

## SMALL BUSINESS WEEK

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, we are well on our way to economic recovery and leading the way are Canadian entrepreneurs. Close to 900,000 Canadian women and men who own and operate small and medium sized enterprises are celebrating Small Business Week from October 23 to 29.

This year's theme is Partnerships for Growth. The federal government must continue to support and encourage small businesses and truly become partners in breaking down the barriers.

In Burlington small businesses like Roxanne Moffat's Hillcrest Florists are the backbone of our community and ultimately of our nation. They encourage healthy competition, provide great products and service and combine innovation with expertise.

Ms. Moffat, head of our Business Women's Network and an active member of the Burlington Chamber of Commerce, is one of many Canadian women whose skill, imagination and determination have made them a success.

This weekend the contributions of many women like Ms. Moffat are being acknowledged at the 1994 Canadian Woman Entrepreneur of the Year Awards and Conference. The awards and conference help to stimulate the Canadian economy by nurturing entrepreneurial skills and encouraging small business—

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

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## 4–H PROGRAM

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I rise today in support of one of Canada's most important youth organizations, Canada's 4–H. The history and results of the 4–H are well known to all Canadians.

Today with the future of rural Canada uncertain, the recognition of an organization dedicated to providing a quality life experience for rural youth has never been more necessary. However federal funding of 4–H remains uncertain.

• (1410)

Media reports that the Department of Agriculture and Agri–Food will trim its budget perhaps by as much as 40 per cent. The department's reluctance to commit itself to funding beyond the end of the current fiscal year is troubling 4–H participants across Canada.

I stand today 100 per cent behind Canada's 4–H program and its support for rural youth. In recognition of the value of these young people to the future of Canada I encourage the Minister of Agriculture and Agri–Food and the federal government to express their immediate and ongoing commitment to the 4–H program and its supporters across Canada.

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[*Translation*]

## SOCIAL PROGRAM REFORM

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, it is with dismay that we read *Income Security for Children*, a document released as part of the reform proposal put forward by the Minister of Human Resources Development.

The minister has the nerve to put the financial burden of these measures aimed at eliminating child poverty on middle–class parents whose deductions will be reduced. The minister's cynicism has reached an all–time high. The minister does not seem to realize that such an unwarranted increase of the middle class's financial burden will inevitably force more children to live in poverty.

How can the minister be so arrogant and paternalistic as to claim that he wants to make conditions better for children, when he is making them worse? The minister has a great responsibility to these children and hundreds of thousands of Canadian children.

* * *

[*English*]

## CRIMINAL JUSTICE SYSTEM

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, the Liberal government has sure toughened up on the criminal element in our society.

I have found that convicted murderers receive old age security, the guaranteed income supplement, not to mention GST rebates. So what if their room and board is provided for, not to mention their clothing, education and counselling? So what if they have conjugal visits to relieve them of any deprivation they may have? So what if they receive free condoms acknowledging their habits?

Okay, so their medical and dental are free. And they are not paying taxes. They can vote if they are incarcerated for less than two years. If they have a bad day on the prison golf course at Ferndale penitentiary, they can submit a grievance, receive free legal aid and sue the system.

Yes, this Liberal government is tough all right. The only problem is it is tough on the taxpayer and the innocent victims, not the criminals.

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## YOUTH SERVICE CANADA

**Mr. Maurizio Bevilacqua (York North, Lib.):** Mr. Speaker, on behalf of the Minister of Human Resources Development and the Secretary of State for Youth and Training I am pleased to announce that Youth Service Canada kicks into high gear today as it enters its regular operational phase.

Young Canadians have the ability and desire to contribute to our country. Youth Service Canada will give young people the opportunity to prepare for the challenges of the 1990s labour market and global competitiveness of the 21st century.

The federal government is calling on communities to plant a seed of hope in our youth. Any community based group, band council, or other organization interested in youth and community development can apply to sponsor a Youth Service Canada project. Applications and guidelines are now available through Canada Employment Centres.

It is my hope that members of Parliament will be instrumental in broadcasting the message to their constituents on this very important program.

## YOUTH SERVICE CANADA

**Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.):** Mr. Speaker, I call upon all members of this House to support imaginative project ideas from their respective ridings for Youth Service Canada. There is a great deal of work to be done in our communities.

We should put the talent, energy and creativity of our young people to work in our own backyards. Young people will stand taller and our communities will grow stronger for it.

On October 25, 1993 Canada's youth voted overwhelmingly for the Liberals. That generation put its *x* over here, because they trust us to deliver.

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## GOVERNMENT POLICIES

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Mr. Speaker, we have heard several honourable ministers indicate there is a need for change in the status quo and I agree. While change may be difficult, Canadians are impressed with the consultation process brought forth by this government.

• (1415)

With continued openness and co–operation by the government, all Canadians will be able to participate constructively in those areas which require change to meet the needs of today and of the 21st century.

To provide opportunity for future generations, these changes must be brought about fairly.

On this first anniversary I am still proud of the government and of our ministers. They are prepared to work with all members of the House and with all Canadians to help build a better tomorrow.

Public forums will be hosted across Carleton—Charlotte from November 5 to 12 to obtain input on various issues before the House. This consultation process truly opens up government and allows everyone to participate which is a welcome change—

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# ORAL QUESTION PERIOD

[*Translation*]

## MANPOWER TRAINING

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, in April, the Government of Quebec asked the Minister of Human Resources Development to help finance six innovative Quebec programs through federal strategic pilot projects. Six months later, Ottawa has still not answered.

How can the minister claim that he is ready to negotiate a transfer of manpower training responsibilities with Quebec, when for six months he has refused, in a much smaller matter, to participate in financing six Quebec programs through the pilot projects that Ottawa is supporting in all of Canada?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, like most things we hear from the Leader of the Opposition, the facts he has stated simply are not true.

Let me state what has taken place. We have offered to cost share a number of strategic initiatives with the province of Quebec. In August of this year we arrived at an agreement in principle and one that would be particularly appropriate for helping young people to get employed. An election ensued.

I wrote to my counterpart after the election to suggest that we were prepared to move ahead. My deputy has written to his counterpart to say that all we want from the province of Quebec is for it to establish among six or seven projects what priority projects it has.

As soon as Quebec is prepared to confirm with us what its priority projects are we will go ahead in a co–operative way and work with it. Because the strategic initiatives are part and parcel of an important element of the overall review of social policy, I am glad to hear that the Leader of the Opposition and the Quebec government now want to become part of that process.

[*Translation*]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the information that we have from the Government of Quebec contradicts what the minister is saying today. Quebec's request for six projects is still outstanding and Ottawa has not yet accepted. Why does the minister refuse Quebec what he has allowed under other pilot projects which are being funded in New Brunswick and especially in Newfoundland?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I would like the Leader of the Opposition to listen carefully. Please listen carefully so that maybe you can understand something for the first time. Please, I want you to understand this.

**Some hon. members:** Oh, oh.

**Mr. Axworthy (Winnipeg South Centre):** Mr. Speaker, I have read the material the Bloc members have put out concerning the social review. I know just how much they distort the facts.

I want them to understand that we have written back to the Quebec government saying that as soon as it establishes clearly what its priorities are then we will sign an agreement and proceed with social review and with strategic initiatives because they are part and parcel of the same thing.

[*Translation*]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the minister reduces the question to a lack of understanding by the Leader of the Opposition. In fact, if anyone does not understand something in this House, it is the minister who does not understand Quebec's historic demands in the manpower field.

**Some hon. members:** Hear, hear.

**Mr. Bouchard:** Speaking of this, how can the minister expect the present government of Quebec to accept his offers of administrative transfers in the manpower field, of sharing quarters for the same confusing mess in the same building, when this offer was rejected by the previous federalist government?

• (1420)

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, perhaps one reason why there may be some confusion is because we have one party in the House on the opposite side which makes it its business to try and create confusion between Quebec and the rest of the country. That is part of the problem we face.

When it comes to strategic initiatives we have said that as soon as the Quebec government replies to our request and specifically says what its priority projects are we will discuss them. We cannot fund all the projects because it would take all the money. We have to share with the rest of the country.

As soon as the Quebec government indicates it is prepared to go ahead with the priorities that were presented by the previous government then we will sit down and negotiate with it.

We understand and fully support the process. By developing these kinds of new, progressive and innovative approaches to the development of social programs, we can bring a much better system to all Canadians, including those in Quebec.

That is why the position of the Parti Quebecois and the Bloc Quebecois—

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development. We learned from the SQDM, the Quebec labour development corporation, that the minister was aware of the duplication between his youth service project and Quebec's young volunteers program as early as the beginning of February, two months before he launched his program.

Does the minister confirm that federal and Quebec government officials tried without success to harmonize the two programs before the federal government decided to go ahead despite the resulting increase in duplication?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, at noon hour I attended a very interesting event where a youth service project that serves both sides of the Outaouais area and a group of young people who were street kids had come together to start their own business in a recycling plant.

As part of the testimony one young man said that he had been on the streets since he was 11 years old. Because of the youth services project he was now able to get a pay cheque. He was now able to plan to go to school. Much more important, he now believed in himself.

I do not think that young man was concerned about jurisdictional turf wars. He was concerned about the Government of Canada which, in co–operation with the private sector and the local community, was giving him a new chance at life. That is what the program is all about.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, my question is again for the Minister of Human Resources Development. Does the minister not admit that his attitude in the youth service matter clearly shows that he is trying to muzzle the Quebec government, when we know that federal officials offered Quebec a seat on the federal pilot project selection board provided that Quebec made a commitment not to criticize the Canadian youth service program publicly?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the facts of the matter are this. We presented to the province of Quebec, as we did to all provinces, a proposal on a labour and manpower agreement that would offer wide responsibility to all provinces to help set planning priorities for federal human resource expenditures in each of the provinces.

In the case of Quebec the count was close to 60 or 70 per cent of the human resource expenditures in terms of helping engage in that planning.

At this time I have not received a response from the province of Quebec on that proposal. If that response is received, we are prepared to sit down and talk about all the programs. Once the province of Quebec responds we will co–operate with it.

## PENITENTIARIES

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, in 1978 Allan Kinsella murdered 24–year old Kenny Kaplinski by shooting him twice in the head. He was sentenced to life in prison.

• (1425)

In July he was transferred to the Bath penitentiary, in spite of the fact that the Solicitor General received two letters from the Assistant Attorney General of Ontario warning that Kinsella was unsuitable for transfer and likely to attempt escape.

The Solicitor General did not respond to these warnings and on October 19 Kinsella escaped from Bath along with Serge Damien who was serving life for murdering a credit union cashier with a sledge hammer.

Can the Solicitor General explain his negligence in this case, and what does he have to say to the people whose lives have been put at risk by this negligence?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, Mr. Kinsella had been in a medium security institution since 1986. He was transferred to another medium security institution, Bath.

The letters of warning from Mr. Code, the Deputy Assistant Attorney General, were to the effect that Mr. Kinsella should not be transferred to a minimum security institution, specifically Beaver Creek. The advice on Mr. Kinsella was followed by the Correctional Service officials because Mr. Kinsella was not transferred to Beaver Creek or any other minimum security institution.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the Attorney General of Ontario knew more about Bath than the Solicitor General. Not only did his office warn the Solicitor General about Mr. Kinsella, but the Bath medium security prison was medium security in name only. Bath was supposedly upgraded to medium security last May but many of the security features of a medium security facility were not in place, such as adequate lighting, surveillance cameras and double fencing.

Why did the Solicitor General allow murderers like Alex Kinsella and Serge Damien to be transferred to an institution that was incomplete and substandard from a security standpoint?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, before the transfer was carried out, the professional staff of the Correctional Service had formally upgraded Bath to medium security status, after adding additional protection measures. That is the fact, Mr. Speaker.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, a lot of these measures are after the fact, after the horse is out of the barn. Every time there is a problem in his jurisdiction the minister says it is a serious matter, there has been an investigation and steps are being taken, but in fact no action really occurs.

Since the Solicitor General is so fond of investigations, will he submit to an independent public inquiry to examine not only the problems within Corrections Canada but the negligence of the Solicitor General's department itself?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, an independent investigation has been convened, headed by the retired former deputy police chief of the city of Toronto. Under the Corrections and Conditional Release Act that investigation has the status of an investigation under part II of the Inquiries Act.

If the hon. member is serious about this matter he will be happy to hear this news from me.

* * *

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, my question is for the Minister of National Defence.

On May 25, the Privacy Commissioner confirmed to the Standing Committee on Justice and Legal Affairs that an examination of the operations of the Communications Security Establishment was being carried out. That exercise was to be completed in August. Yesterday, the defence minister alluded to that examination by the Privacy Commissioner.

Considering the recent disclosure of surveillance activities targeting members of the Quebec government, will the minister confirm that he asked the Commissioner to expand the scope of the examination conducted?

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the answer is absolutely no.

[*Translation*]

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, does the Minister of National Defence not realize that the government cannot be content with a routine examination by the Privacy Commissioner, given the seriousness of claims that CSE apparently spied on members of the Quebec government, and in spite of the fact that the minister is already predicting a positive conclusion to that examination?

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I will not repeat the answers I have given in the House. At this moment the privacy commissioner is conducting an examination of CSE. It has been done in the past, it is a matter of routine business and it will conclude shortly.

* * *

• (1430)

## YOUNG OFFENDERS ACT

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, my question is for the Minister of Justice.

Yesterday a youth charged with criminal negligence causing death with a stolen car was sentenced to one year in a youth detention facility. In frustration the judge presiding over the case remarked that politicians, not judges, were the lawmakers. The judge's hands were tied and because of a weak Young Offenders Act the offender walked away with a year.

In view of this case, how many more insupportable decisions does the Minister of Justice need to hear before he will make substantive and not cosmetic changes to the Young Offenders Act?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I am not going to comment on the facts of the case. I will speak to the point generally.

Let me say that the member is himself participating in the work of the justice committee of the House of Commons, which has been engaged for many weeks in hearings with respect to Bill C–37, proposals to amend the Young Offenders Act.

In that capacity the member has heard witnesses who have been before the committee saying that in their view the Young Offenders Act as it exists at present is more than sufficient, if properly administered, to deal with juvenile justice in the country.

The changes in Bill C–37 represent the amendments that the government thinks are appropriate at this time. The member knows we have asked the standing committee to commence, as soon as it finishes with Bill C–37, a comprehensive review of the statute as a whole, crossing the country, listening to experts, speaking to police, principals, parents, and hearing views about other changes that may be appropriate to the act.

The member knows that process is going to be undertaken. Indeed he is going to be part of it. I trust he will come back to the House with responsible recommendations at the end of it.

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, it was quoted this morning that the Canadian Association of Chiefs of Police as well as the Canadian Police Association recommended that judges must have access to longer and more appropriate sentences and that 16 and 17 year olds charged with serious crimes should automatically be tried in adult court.

These recommendation do not come from bleeding hearts or social agencies. They come from the men and women who defend our streets.

Will the minister endorse the recommendations of the two associations, or is he going to sit back and listen to the broken record of the professional criminal justice community?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, what we are going to do and what we have done is be responsible and balanced and take into account the views at all ends of the spectrum.

The fact is the hon. member seizes upon the headlines of this morning from the Canadian Association of Chiefs of Police. I have two comments. The first is that recently the paper has been full of reports of the testimony of other witnesses before the committee who said precisely the opposite. Obviously views differ. What we have done in Bill C–37 is produced a balanced bill that adjusts and amends the act in the public interest.

The second observation I would make is that I am interested to observe the hon. member's interest in the views of the Canadian Association of Chiefs of Police. I remind him it is the same organization that very much supports our intentions with respect to gun control.

* * *

[*Translation*]

## PRIVACY

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, my question is for the Minister of Industry. The information highway project will increase the pooling of data banks holding personal information of all kinds and disclosure of that information to governments, businesses and institutions.

May I remind you, Mr. Speaker, that privacy is not yet a fundamental right entrenched in the Charter of Rights and Freedoms?

Given that there is no federal legislation protecting the confidentiality of personal data held by private businesses, can the Minister of Industry tell us what concrete action his department intends to take to address this problem which will likely get worse with the implementation of the information highway?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, I thank the hon. member for his question. He raises a very important question of concern to us.

He may know that the government recently released a discussion paper on privacy and the information highway. The Information Highway Advisory Council is charged with discussing this important issue and with determining what measures are appropriate to take as all Canadians, particularly those who have personal information encased in the databanks of the world, are concerned about protecting their privacy with respect to that information.

• (1435)

[*Translation*]

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, given the fact that there already are several networks available in Canada and elsewhere, can the Minister of Industry tell us if he intends to ask his colleague, the Minister of Justice, to bring in a bill to ensure the protection of personal data in areas of federal jurisdiction?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, it may well be that there are legislative responses that would be appropriate to this issue. Fundamentally we will want to hear what the advisory council has to say and what Canadians generally have to say.

The hon. member will understand that in this area technology has developed very rapidly over the last number of years. We expect the revolution in information technology to accelerate rather than decelerate. In responding to the changing environment that technology brings all Canadians—not just government but Canadians who provide information to users of that information—we must take caution to protect their own privacy as we try to protect the privacy of others.

* * *

## MUSEUM OF NATURE

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, the President of the Privy Council as a member of the Treasury Board authorized the construction of facilities for the Museum of Nature to be built in his riding. This puts him in a possible conflict of interest.

Why did the President of the Privy Council not absent himself from this decision?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, nice try but no cigar.

The decision to use property in Aylmer to meet the accommodation needs of the Canadian Museum of Nature dates back to 1990 when the Treasury Board approved the purchase of the property on Pink Road in Aylmer by the Department of Public Works and Government Services for use by the museum.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Nice try, Mr. Speaker; I don't smoke.

Furthermore I reject that answer on the grounds that the decision of 1990 was rejected by the Liberals. It indeed was a Tory decision taken in 1990. This is a new decision undertaken by the Liberals.

My supplementary question is for the Prime Minister. The Prime Minister said he would restore the trust of Canadians in their institutions. The political system is meant to serve the interest of Canadians and not of members of Parliament. When the public trust is gone the system does not work any more.

The building of this museum in the member's riding is at best what appears to be a conflict of interest and at worst a possible abuse of his power.

Will the Prime Minister—

**Some hon. members:** Oh, oh.

**The Speaker:** I ask the hon. member to put her question forthwith.

**Mrs. Brown (Calgary Southeast):** Will the Prime Minister direct the ethics counsellor to investigate this serious matter?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, first, there is clearly no conflict of interest because I have no pecuniary interest in the museum. Second, the decision to locate in Aylmer was taken by the Treasury Board in 1990.

The recent decision to permit the Museum of Nature to acquire more land and build up its own facilities was made. I am a member of Treasury Board and all members of Treasury Board know that my riding is Hull—Aylmer. If it had been placed on this side of the river, since all 12 ridings are occupied by Liberal members there is no doubt it would have been in the riding of a Liberal member.

There is no conflict of interest. There is no problem of impropriety. The Museum of Nature made the decision on its own. It was approved by Treasury Board. It was all done in an open and proper manner.

* * *

• (1440)

[*Translation*]

## COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, my question is directed to the Minister of Intergovernmental Affairs.

In its first budget last February, the government announced it was closing the Collège militaire de Saint–Jean. Reacting to the ensuing controversy and to protests organized by the Official Opposition, the federal government started negotiations with the Government of Quebec and concluded an agreement in principle on July 19. This agreement was never ratified, and negotiations with Quebec are at a standstill.

Considering the uncertainty in which the people of Saint–Jean have been living for far too long, is the Minister of Intergovernmental Affairs prepared to resume negotiations with the new government in Quebec, on the basis of the agreement in principle reached on July 19, and to confirm the military role of the college?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, we have an agreement on the Collège militaire royal de Saint–Jean which was concluded between the previous government and our government. The agreement clearly sets out the civilian status of the Collège de Saint–Jean and is in the best interest of both governments and of the people of Saint–Jean.

The federal government has no intention of backtracking on the basic terms of the agreement as signed. What has not been determined is the implementation procedures. I will be sitting down very shortly with my Quebec counterpart to settle these final details which will implement the principles on which we have already agreed.

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, are we to understand from the minister's attitude that his government is trying to withdraw from any plans to reopen the college, although it was responsible for closing it in the first place?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, we certainly intend to stand by our commitments, and I hope the Government of Quebec intends to do the same.

The uncertainty is not caused by our attitude, because we continue to abide by the terms of the agreement we concluded. However, if those terms are not implemented, the one to blame for the uncertainty in the Saint–Jean region and for preventing the Collège de Saint–Jean from continuing operations in its new context will be the government that refuses to negotiate the details of the agreement.

* * *

[*English*]

## FORT YORK

**Mr. Tony Ianno (Trinity—Spadina, Lib.):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

The Toronto city council is considering a huge development that may not be sensitive to Toronto's Fort York which is of national historic importance. A 1909 agreement states that the fort must be preserved and maintained or the federal government could repossess both Fort York and the grounds of the CNE.

How is the government going to ensure that Fort York's historical integrity is maintained and that the site is accessible to Canadians as per the 1909 agreement?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I am pleased to confirm that the federal government remains firmly committed to the original conditions attached to the transfer of Fort York to the city of Toronto.

Both the Department of Public Works and Government Services and my department recognize the importance of Fort York to our national heritage and to tourism.

My colleague can rest assured that the minister of public works and myself will make sure that the provisions of the covenant are respected. This is an important piece of national heritage. We are devoted to it. We have offered to discuss it and we will support it.

* * *

## ROYAL COMMISSION ON ABORIGINAL PEOPLES

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, the Royal Commission on Aboriginal Peoples was projected to cost $10 million. Now in fact it will come in at a staggering $58 million. At best the report will come in a year past its deadline and there is strong evidence of abuse in the $8 million research budget.

In light of the government's promise to cut government spending and in light of the government's promise of accountability, does the Minister of Indian Affairs and Northern Development really expect the taxpayer to happily swallow the costs of the commission simply because the minister claims it was started by the previous government?

• (1445)

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, first I will deal with the research. The chairman of the commission has been in contact with our department. Out of approximately 140 reports that were supposed to come in I believe 15 were looked at. Nine were judged as inadequate and five were non–existent.

Mr. Crombie is looking into that. I am waiting for his report, but 90 per cent of the reports that were paid for came in, were adequate and sufficient and were utilized. As far as the costs, I made my point last week.

The commission is made up of eminent people. I am sure their report is going to be a good report. On balance we have to make judgments and decisions. The former government decided to have a royal commission. If we had to decide it today, in today's environment with $58 million we would build 1,000 houses.

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, this report will come in a year late at best. It will have a cost overrun of some $48 million. As the minister indicated a couple of days ago, they probably will not be able to implement some of the recommendations by the time they get it anyway.

In spite of all of this, the Minister of Indian Affairs and Northern Development apparently thought this was something to joke about when he said the other day that maybe he would like to have a job on the commission but that he would have to stand in line.

My question for the Minister of Indian Affairs and Northern Development is how does he ever expect the Canadian people to regain some trust in the government when he treats such a serious matter like this with such irresponsible statements?

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, there are two parts to that. The first is that we will not implement. I find this odd coming from the Reform Party which has not yet voted for one piece of aboriginal legislation in 11 months either in this House or at the committee.

Talking about seriousness, we are treating this seriously. I think it is about time the Reform Party look at its obligations as members of Parliament and start treating the aboriginal people of this country seriously and not just an election issue for 10 per cent of the population.

* * *

[*Translation*]

## FISHERIES

**Mr. Yvan Bernier (Gaspé, BQ):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans. For months the Gaspé Cured company has been asking the minister to officially recognize a label of origin, *une appellation contrôlée*, for the area and the process and product of Gaspé Cured. Yet, the federal minister allows companies in the Atlantic region to export their salt cod under the name Gaspé Cure, which creates some confusion on international markets and leads to losses of as much as $10 million for the Gaspé Peninsula company.

Could the Minister of Fisheries and Oceans tell us if he intends to accede to Gaspé Cured's request, and if so, how soon?

**Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri-Food, Fisheries and Oceans), Lib.):** Mr. Speaker, the minister is very conscious of the importance of the issue raised by the hon. member. Officials in the department are studying the request of Gaspé Cured. At the present time the expression is used not only for a grade of fish from a certain area, but also for a grade and a process used elsewhere. I can assure the hon. member that the minister is studying the matter carefully.

**Mr. Yvan Bernier (Gaspé, BQ):** Mr. Speaker, the request submitted by Gaspé Cured covers the process and the product.

My second question is for the Secretary of State. If the research done by the department—because I understand that they are doing research on the matter—is positive, and demonstrates that the product from the Gaspé is different from similar products in other areas, will the department give the people of the Gaspé Peninsula the right to a label of origin for their process and product?

• (1450)

**Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri-Food, Fisheries and Oceans), Lib.):** Mr. Speaker, as I was saying, the Department is devoting a lot of attention to this issue, and when the study is over the decision will certainly be to the advantage of fishermen in the Gaspé Peninsula, and of the industry in general.

* * *

[*English*]

## INDIAN AFFAIRS

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, I understand that the Metis nation of Saskatchewan has this week requested core funding from the Department of Canadian Heritage.

Will the minister assure this House that no core funding will be dispersed until the RCMP investigation is completed into the improper use of funds by the Metis nation of Saskatchewan and the current creditors have been paid by the trustee?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, we are aware that there was an investigation into the funding of that society.

Some auditors looked at the books. They have been retained as counsel to the society. The two levels of government, the federal government and the provincial government, have agreed in light of the fact that Deloitte & Touche is advising the financing of the society to resume some degree of funding.

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, the Metis leadership is proposing a national legislative assembly, a capital in Batoche, Metis and Canadian citizenship and the national registry of Metis.

In light of this, can the federal interlocutor for the Metis tell this House why she has committed new funding to the Metis National Council at a cost of millions of dollars?

**Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Mr. Speaker, as indicated by the minister of heritage, we are working with the Metis in order to assist them. We have not committed large sums of money on this project yet.

* * *

## FIREARM ACQUISITION CERTIFICATE

**Mr. Sarkis Assadourian (Don Valley North, Lib.):** Mr. Speaker, my question is for the Minister of Justice.

The fee for a firearm acquisition certificate is $50. However, the real cost of processing an FAC in metro Toronto is $180. What measures will the minister be taking to reduce the administrative costs of FACs in metro Toronto?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as the hon. member has pointed out, the current fee is $50.

The actual cost to the police force for carrying out necessary investigations varies. It depends in part upon the exercise of the discretion of the investigating officers, the degree of risk.

It also depends sometimes on whether the investigations are being done in an urban or rural area because finding the referees in the urban area may be more difficult.

As the hon. member knows, the entire subject of firearms regulation is under review by the government at present. We are including in that review the process by which acquisition certificates are obtained. We will bear in mind the cost disparity to which the member has referred in completing our work on that subject.

* * *

[*Translation*]

## CUSTOMS BROKERS

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, my question is for the Minister of National Revenue.

Effective January 16, a new guideline issued by Revenue Canada will require customs brokers to post bonds equal to 100 per cent of their monthly instalments to the government, whereas before the requirement was 35 per cent of the first $200,000 and 17.5 per cent of the next $1,800,000 up to a maximum bond of $2 million.

Can the Minister of National Revenue explain why he increased the bond required of customs brokers from 35 per cent to 100 per cent of their monthly instalments?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, we take note of the member's question and will try to provide him with an answer as soon as possible.

• (1455)

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, could I also ask the minister to check why the maximum bond was set at $10 million when some importers pay the government monthly instalments of $250 million?

Is the minister aware that this policy may drive some smaller customs brokers into bankruptcy?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, I thank the member for his comments. Rest assured that I will refer this question to the Minister of National Revenue.

* * *

[*English*]

## GUN CONTROL

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, underground dealers buy guns through street dealers in Detroit, bringing them back by the dozens every time they cross the border and then they sell them at immense profits at after hours clubs in Toronto.

On Monday this week the revenue minister assured this House that everything was under control; except the Hamilton *Spectator* says that 98 per cent of the guns that are seized are seized from unsuspecting U.S. citizens coming into Canada.

Why is the justice minister considering useless, ill conceived, unnecessary gun registration programs when guns continue to flow over the border?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as my colleague, the minister of revenue said earlier this week, we are preparing proposals to deal more effectively with firearms entering Canada illegally. In the package of proposals that the government will table before the end of the session in December dealing with firearms generally, we will deal specifically with the issue of firearms entering Canada illegally.

Before I leave the subject I must point out that border controls in terms of being careful with those taking firearms across the border in their cars are very important. A man named Johnathon Yeo was found by a coroner's jury to have done just that with very tragic consequences.

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, with respect to registration the minister will know about project gun runner. Of the 17 guns purchased on the black market, only one came from a break–in. The rest were smuggled into Canada.

I have even heard it said that the minister said that 70 per cent of all criminal acts involving guns are committed with smuggled, illegal firearms.

I ask the minister again, why is he prepared to commit millions of dollars to a bogus registration program that would just harass law–abiding gun owners?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, for many years the Canadian Association of Chiefs of Police has been calling for the registration of all rifles and shotguns. It has been joined in that by the Canadian Police Association, health care workers, physicians. Hundreds of other associations across this country have been asking for registration of long arms. That is one the prospects we are considering as we assemble our proposals for gun regulation. If we do decide as a government to introduce it we will make clear the practical advantages we intend to achieve, including those identified by the police of this country.

* * *

## JUSTICE

**Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.):** Mr. Speaker, my question is for the Minister of Justice.

Recently the minister decided to consider the case of Patrick Kelly under article 690 of the Criminal Code, which allows the minister to order a new trial when a conviction is based on false evidence.

However, as the minister knows, there has been a lot of criticism of the 690 process, that the criteria are vague, it is secret, too long and not independent.

When will the minister act to meet these criticisms and reform the 690 process?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I have no doubt that the 690 process as described by the hon. member can be improved. Equally, I am certain that the procedure now in place is capable of dealing fairly and fully with all of the applications that are pending.

Let me point out to the hon. member that we have already made improvements in the process during the last several months. I refer, for example, to the fact that in the case involving Colin Thatcher, which was dealt with by reasons given some months ago, I took the trouble to spell out the principles that governed the disposition of applications under 690 to remove some of the mystery the hon. member has referred to.

• (1500)

In cases that are pending I have brought in outside counsel where I felt it consistent with fairness. Finally, I am completing an inventory of all outstanding cases and establishing a timetable to get them all decided at the earliest possible date.

## RAILWAY WORKERS

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, my question is for the Deputy Prime Minister and it has to do with remarks made recently by the Minister of Transport. The Deputy Prime Minister may be aware that the Prime Minister has been receiving letters asking for an apology from the Minister of Transport to railway workers.

I want to ask the Deputy Prime Minister whether the Prime Minister intends to ask the Minister of Transport to apologize to railway workers for referring to them as "a bunch of grade 8 and 9 graduates who can't be blamed for negotiating excessive collective agreements".

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I am sure the member opposite, who has a long history in understanding the transportation industry, will know that the work of every single person in transportation, including the work of union workers across the country, is very important to the government. It is important to the Minister of Transport. That is why he has established a committee to look at what alternatives we can find to keep productive railway workers employed.

I know that is the position of the Prime Minister also.

* * *

## PRESENCE IN GALLERY

**The Speaker:** I would like to draw the attention of members to the presence in the gallery of the Hon. Wayne Gaudet, Minister of Agriculture for Nova Scotia.

**Some hon. members:** Hear, hear.

* * *

[*Translation*]

## POINT OF ORDER

SIMULTANEOUS INTERPRETATION

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I rise on a point of order to correct yesterday's record of our proceedings with respect to an error that slipped into the simultaneous interpretation. I will take a minute or two to alert the Chair and the entire House.

At page 7181 in the French version of *Hansard*, the following sentence appears:

> Le premier ministre a dit en même temps qu'on voulait procéder primordialement en coupant les dépenses, mais que, s'il fallait agir autrement,

And here are the words, Mr. Speaker:

> on était prêt à le faire, parce que le but principal est d'éviter la vraie hausse de taxes qui est une augmentation des taux d'intérêt.

[*English*]

The English translation of *Hansard*—I will just repeat the last words—says:

> —we were prepared to do so because the main objective is to avoid the burden of higher interest rates.

That is, of course, accurate. However, the transcript of the simultaneous interpretation overheard by all members of the House yesterday, including the members of the media, said, and again I quote the words: "Elsewhere we would do so because our main target is to avoid a true increase in taxes, including RRSPs".

Those words are not to be found in the French text. In fact it is an inaccurate simultaneous interpretation which bears bringing to the attention of all members of the House in the event that members or even the public may have received inaccurate information.

**The Speaker:** I would like to thank the hon. member.

[*Translation*]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I am not sure that we have fully understood the correction being requested. We would like some time to examine the nature of the changes being requested by the government whip.

**The Speaker:** All that is involved is a point of order. Yes, you will have the time to examine it, and if you have anything to add, I will hear you.

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# ROUTINE PROCEEDINGS

[*English*]

## GOVERNMENT RESPONSE TO PETITIONS

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages the government's response to 58 petitions.

* * *

• (1505)

[*Translation*]

## COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

**Mrs. Marlene Catterall (Ottawa West, Lib.):** Mr. Speaker, I have the honour to present the forty-third report of the Standing Committee on Procedure and House Affairs, concerning the associate membership of committees.

If the House agrees, I intend to move concurrence later today.

* * *

## UNEMPLOYMENT INSURANCE ACT

**Mr. Réginald Bélair (Cochrane—Superior, Lib.)** moved for leave to introduce Bill C–286, an Act to amend the Unemployment Insurance Act (university studies after ten years of employment).

He said: Mr. Speaker, a while ago, like the great majority of my colleagues here in the House, I was confronted with the fact that only workers who qualify for unemployment insurance were eligible to go to college. In my humble opinion, I think that discriminates against those who would like to go to university to learn a new trade. That is the purpose of my bill.

[*English*]

It is to extend the application of section 26 of the Unemployment Insurance Act to include full time university courses in addition to college and other training courses as part of the courses or programs designed to facilitate the re–entry of a claimant into the employed labour force.

[*Translation*]

I hope that all my colleagues in all parties will support this bill, because it is extremely important to give those who want to re–enter the labour market a chance.

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

* * *

[*English*]

## COMMITTEES OF THE HOUSE

### PROCEDURE AND HOUSE AFFAIRS

**Ms. Marlene Catterall (Ottawa West, Lib.):** Mr. Speaker, I think there would be unanimous consent to dispense with the reading of the 43rd report of the Standing Committee on Procedure and House Affairs concerning associate membership of committees.

If so, and the House gives its consent, I move that the 43rd report of the Standing Committee on Procedures and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

[*Translation*]

## PETITIONS

### POSTAL SERVICE

**Mr. Yvan Bernier (Gaspé, BQ):** Mr. Speaker, I have four petitions today. The first one is about reopening the post office in L'Anse–au–Griffon, a village in my riding.

The petition basically asks the government to reopen this post office. It says that the current Prime Minister wrote in a letter to Rural Dignity dated August 5, 1993—when he was the Leader of the Opposition—that a Liberal government would examine the possibility of reopening some post offices. This petition was certified as admissible by the House.

### RAIL SERVICE

**Mr. Yvan Bernier (Gaspé, BQ):** Mr. Speaker, the other three petitions I have concern existing rail links in the Gaspé region. The petition asks the government to impose a one–year moratorium on any rail service cut or abandonment. The population and the petitioners specifically ask the Canadian government to hold public hearings and consultations so that the people can participate in the decision–making process.

I agree with the petitions on both issues, and we await a positive response from the government.

• (1510)

[*English*]

### ASSISTED SUICIDE

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, I have the privilege to present two petitions on behalf of Arlene Carlstrom and Lillian Panylyk, president of St. Nicholas Church in Edmonton.

The two petitions are signed by 189 constituents. These constituents would like to draw the attention of the House to section 241 of the Criminal Code to ensure that Parliament does not repeal or amend section 241, and to ensure that Parliament uphold the Supreme Court of Canada decision of December 30, 1993 to disallow assisted suicide.

It is my pleasure to submit these petitions and to also inform my constituents that I concur with these petitioners.

[*Translation*]

### CONSTRUCTION OF SUBSIDIZED HOUSING

**Mr. Raymond Lavigne (Verdun—Saint–Paul, BQ):** Mr. Speaker, I wish to table in this House a petition signed by more than 2,000 of my constituents, who are asking the government to provide assistance so that construction work can start right away on subsidized housing in the riding of Verdun—Saint–Paul.

The disappearance of local industries has led to an unusually severe job shortage, so that residents cannot all afford decent housing.

[*English*]

Mr. Speaker, I agree completely with this petition which I now present to you.

ABORTION

**Mr. Ovid L. Jackson (Bruce—Grey, Lib.):** Mr. Speaker, under Standing Order 36 I would like to table a petition on behalf of some members of my constituency.

They ask and pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

[*Translation*]

RETIREMENT INCOME

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, pursuant to Standing Order 36, I am pleased to table today in this House a petition signed by 393 people in the riding of Verchères and elsewhere in Quebec, specifically the municipalities of Sainte–Julie, Saint–Denis, Saint–Marc–sur–Richelieu, Saint–Roch–de–Richelieu, Saint–Amable, Saint–Mathieu–de–Beloeil, Saint–Antoine–sur–Richelieu and Verchères.

Referring to the abolition of universality for the age tax credit, the petitioners feel that the current government has unfairly gone after retirement income.

The petitioners see these measures as fundamentally discriminatory at the fiscal level, since they single out people who have already contributed a great deal to the Canadian economy, so that these people cannot hope to improve their standard of living in the years to come.

The 393 petitioners therefore urge Parliament to reject any measure that would reduce retirement income. Needless to say, I agree with the analysis of the situation in this petition and strongly support my fellow citizens' request.

[*English*]

IMMIGRATION

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I am pleased to present several petitions bearing the names of over 5,700 petitioners from Ontario and across Canada.

The petitioners humbly pray and call on Parliament to reduce immigration to the previous level of one–half of 1 per cent of the population or about 150,000 persons per year, with the basic intake of not less than 50 per cent of the total composed of carefully selected skilled workers required by the Canadian economy, and that our refugee acceptance rate be brought in line with the average asylum destination countries.

These petitions were initiated by the Immigration Association of Canada. I support their efforts to address concerns over immigration policy.

HUMAN RIGHTS

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, I have two petitions from my riding of Leeds—Grenville.

In the first petition, the signatories are petitioning against any pending legislation which would extend to homosexual couples the same privileges as are extended to heterosexual couples.

The second petition has to do with same sex relationships. They are asking that privileges not be extended to homosexual couples as is currently enjoyed by heterosexual couples.

ASSISTED SUICIDE

**Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.):** Mr. Speaker, I have the honour to present a petition signed by many people in my riding of Thunder Bay—Nipigon.

The petitioners claim that the majority of Canadians respect the sanctity of the medical professions in the country, and whereas the majority of Canadians believe that physicians in Canada should be working to save lives rather than end them, they ask and humbly petition that Parliament ensures that the provisions of the Criminal Code be respected with respect to preserving life and have nothing to do with the voluntary termination of life.

• (1515)

SENTENCING AND PAROLE

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I have the privilege of presenting a petition on behalf of my constituents today.

The petitioners wish to bring to the attention of the House that section 745 of the Criminal Code allows convicted murderers to apply for a review after 15 years, even if they were sentenced to life imprisonment without parole for 25 years.

My constituents believe that this contradiction in the code should be eliminated by repealing section 745 of the Criminal Code and I could not agree more.

HUMAN RIGHTS

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I would like to present two petitions.

The first petition is in relation to sexual orientation. The petitioners from my riding and surrounding areas pray that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

HOMEMAKERS COMPENSATION

**Mr. Paul Szabo (Mississauga South, Lib.):** The second petition, Mr. Speaker, has to do with the family and specifically with initiatives to compensate or to recognize the value of work in the home.

The petitioners are from northern Ontario and ask Parliament not to forget the family, particularly spouses who work in the home and care for preschool children.

RIGHTS OF THE UNBORN

**Ms. Roseanne Skoke (Central Nova, Lib.):** Mr. Speaker, I have the privilege to present to this honourable House three petitions from concerned constituents in my riding of Central Nova.

The first petition prays that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings. I support their stand with respect to this issue.

HUMAN RIGHTS

**Ms. Roseanne Skoke (Central Nova, Lib.):** In the second petition, Mr. Speaker, the petitioners pray that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation. I agree with this petition.

ASSISTED SUICIDE

**Ms. Roseanne Skoke (Central Nova, Lib.):** The third petition, Mr. Speaker, prays that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia. I concur with this as well.

SENTENCING AND PAROLE

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** Mr. Speaker, I have a number of petitions that I wish to present on behalf of residents of Saskatchewan.

The first one has to do with the repeal of section 745.

GUN CONTROL

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** I have another petition, Mr. Speaker, on behalf of gun owners of Saskatchewan.

HUMAN RIGHTS

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** Mr. Speaker, I have a petition on behalf of a number of petitioners with regard to the human rights code.

ASSISTED SUICIDE

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** Mr. Speaker, I have another petition on behalf of those opposed to assisted suicide. There are a number of petitioners who are making that request.

HUMAN RIGHTS

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** Mr. Speaker, I have a petition in support of human life.

ABORTION

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** I have a petition which I support with regard to abortion.

VIA RAIL

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Mr. Speaker, it is my pleasure to present six different petitions from the constituents of Perth—Wellington—Waterloo. One containing over 3,000 signatures deals with the continuation of VIA Rail service in my riding. Their wishes were recognized this week by the Minister of Transport.

BOVINE SOMATOTROPIN

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Mr. Speaker, the second petition concerns BST, bovine somatotropin, a chemically produced drug that is injected in cows to make them produce milk.

HUMAN RIGHTS

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** The third petition, Mr. Speaker, deals with sexual orientation and the human rights act, and I place it on the table.

EUTHANASIA

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Mr. Speaker, the fourth petition is on euthanasia.

ABORTION

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** The fifth petition, Mr. Speaker, deals with abortion and I place it on the table.

HOMEMAKERS COMPENSATION

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Finally, the last petition I present today concerns the topic of compensation to homemakers, the parents who stay at home to raise their children.

ASSISTED SUICIDE

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, I have three petitions all on the same topic.

• (1520)

The petitioners wish to draw to the attention of the House that decriminalizing assisted suicide or legalizing euthanasia could lead to a reduction of patient–physician trust and respect, the degrading of the value of human life and the erosion of moral and ethical values and that palliative care is active and compassionate care which can relieve the pain and suffering of terminally ill persons and families without the danger of suicide.

Therefore the petitioners pray that Parliament continue to reject euthanasia and physician assisted suicide in Canada and that the present provisions of section 241 of the Criminal Code of Canada which forbid the counsel and procuring, aiding or

abetting of a person to commit suicide be enforced vigorously. They also pray that Parliament consider expanding palliative care that would be accessible to all dying persons in Canada.

I concur with and support these petitioners.

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, I would like to present two petitions, both having to do with the same topic.

The names were collected in my riding by a branch of the Ukrainian Catholic Women's League. They petition Parliament to continue to reject euthanasia and physician assisted suicide in Canada. They call for the vigorous enforcement of the present provisions of section 241 of the Criminal Code of Canada. They ask that Parliament consider expanding palliative care that would be accessible to all dying persons in Canada.

HUMAN RIGHTS

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, I would like to present six petitions to the House today.

In two petitions the petitioners are asking that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

RIGHTS OF THE UNBORN

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, in two petitions the petitioners are praying and asking Parliament to act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, I present two petitions where the petitioners are praying that Parliament will ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament will make no changes in law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, I have a petition from members of my constituency wherein they say the majority of Canadians respect the sanctity of human life and human life at the preborn state is not protected in Canadian society. They pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, I rise to present petitions signed by persons from Langley, Aldergrove and Matsqui, British Columbia in my riding. They ask that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, these petitioners ask that Parliament ensure the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, these petitioners ask that Parliament not amend the human rights code, the Canadian Human Rights Act, or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I am pleased to rise in the House to present a petition from constituents in Clinton, Cache Creek, and 100 Mile House, British Columbia.

My constituents call upon the government not to amend the Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality. They also call upon the government not to amend the Canadian Human Rights Act to include sexual orientation in the prohibited grounds of discrimination.

I concur with these petitioners.

RIGHTS OF THE UNBORN

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I have the honour to present to the House five petitions. The first contains the names of 1,716 constituents of Stormont–Dundas who call upon Parliament to act to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by human beings to unborn human beings.

• (1525)

YOUNG OFFENDERS

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Mr. Speaker, the second petition signed by 95 residents of my riding calls upon Parliament to review and revise our laws concerning young offenders by empowering the courts to prosecute and punish young offenders by releasing their names and lowering the age limit to allow prosecution to meet the severity of the crime.

BLOOD DONATION

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Mr. Speaker, the third petition signed by 1,684 residents of my riding prays that Parliament requests Red Cross Canada review its policy of directed blood donation and take the steps necessary to allow individuals to dictate the use of their blood to family members as they see fit.

This petition drive was launched by Mrs. Natalie Jodoin of Cornwall when she discovered that she could not donate blood at a local hospital and direct that it be used for her daughter should the need arise during minor surgery.

HUMAN RIGHTS

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Mr. Speaker, the fourth petition signed by 46 residents of Stormont—Dundas prays that Parliament not amend the human rights code, the Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate in any way societal approval of same sex relationships or homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

**Mr. Bob Kilger (Stormont—Dundas, Lib.):** Mr. Speaker, finally the last petition is signed by 458 residents of Stormont—Dundas who pray that Parliament ensures that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I would ask that all the questions be allowed to stand.

**The Deputy Speaker:** Shall all the questions be allowed to stand?

**Some hon. members:** Agreed.

* * *

## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I ask that the notice of motion for the production of papers be allowed to stand.

**The Deputy Speaker:** Shall the notice of motion be allowed to stand?

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## DEPARTMENT OF INDUSTRY ACT

The House resumed from October 18 consideration of the motion that Bill C–46, an act to establish the Department of Industry and to amend and repeal certain other acts, be read the second time and referred to a committee, and of the amendment.

**Mr. Ovid L. Jackson (Bruce—Grey, Lib.):** Mr. Speaker, it is certainly my pleasure to rise today to speak on Bill C–46, an act to establish the Department of Industry.

This all started with the election one year ago when Canadians felt it was important to set in place a team of people with certain ideas as presented in the red book, that would reorganize and transform the government and the way business is done in Canada.

It is not a coincidence that we have the team of players which is heading the departments today. We are the original reformers. Our friends on the opposite side call themselves the Reform Party, but the Liberal Party is the party of reform. It is our party that looks at all the resources; people, mineral, and other resources and asks: How can we do the best for our people? How can we reorganize things in a way that Canadians will enjoy the lifestyles they have had in the past and will continue to have in the future?

We started with general projects. We brought in the infrastructure program. Why did we bring in the infrastructure program? Because all the G–7 countries, those countries that are doing well put infrastructure in. I know because I was a mayor and I travelled the world. I travelled to Germany and the United States to beef up my riding of Bruce—Grey, having been the mayor of the city of Owen Sound for four terms.

My friends opposite can check my record. They can go to the library and see that I had a strategic plan and I executed it. I called it building blocks, putting in a hospital, a regional mall, a sewer treatment plant, an arena, or what have you. These are building blocks.

This government has reorganized itself in a way to give better government by streamlining the departments. Starting on this exercise is so important for us as a government because we are into an era not unlike what happened during the industrial revolution.

• (1530)

During that time there was a lot of confrontation. I remember quite vividly watching a movie in which a gentleman brought in a steam jenny to replace jobs. His place was stoned. They called him a sorcerer. People started breaking his windows and all that because he had brought in a piece of steam equipment that would replace their jobs.

We have now moved into the technology era. The Secretary of State for Science, Research and Development and the Minister of Industry in integration programs with the Minister of Finance are reorganizing the debt. We are even working with the Department of Health. We realize that health and the economy are interchangeable.

We cannot do much without involving young people. We know the birth rate is high if mothers have good nutrition. Young people born into the world need the correct tools, the proper nutrition and fostering. People are the main resource. It starts with a person being able to dream or a person being able to think. It spins off to small businesses. I taught some young people in school who have done quite well. One young man just went to Japan. I have a lot of faith in them, but as adults we have to give them opportunity.

Within the next couple of days we will be giving opportunities to youth. Young people will be allowed to get out there and experiment with various jobs so they can be focused. We are not crowding them out as happened in the past. I have been with these young people and I understand what happens.

As adults we have learned a lot of things over the last number of years. One thing we have not found out is that we have to transfer some authority to young people. We have to give them hope. We have to let them know that they can replace us and that given the correct climate they will.

In my riding of Bruce—Grey tourism is extremely important. It is a sector that brings in foreign revenues. It allows communities to achieve a higher standard of living than they would have without tourism. The roads and infrastructure we have put in place will allow people to come to my riding. It will allow them to stay in a hotel serviced by good sewers and water. A lot of these things have to be sustainable.

In addition a lot of members in our community such as the sportsman's association who work at restocking the lakes for the fishery. Everybody is trying to help. In that climate the fishery is enhanced. There is the natural beauty that the Lord has given Canada. We have a great fishery, clean air, pure water, and a sustainable environment. People can enjoy our beautiful sunsets and the cottage climate. Then on Labour Day they can go home, after they have deposited their dollars in our community. There is a spinoff effect of probably $4, $5, or $6 for every dollar spent in the community. It provides the communities with an elevated level of life; they have a theatre and other facilities that normally would not be available.

They are also helping our country because in some cases people bring in foreign exchanges. Foreigners know that in Canada there are many things available that they do not have at home. They can come here and enjoy them, be it bird watching, sunsets, skiing or snowmobiling in the Collingwood or Bruce—Grey area. All these activities are rather unique to our area. They will all foster opportunities. The industry department will provide small businesses with a climate in which to grow and prosper.

Quite recently we struck a committee. I say to the House and to small businesses that we are serious. The banks must respect them. The banks must afford to small business persons the same kinds of opportunities they have been giving to larger businesses.

• (1535)

I know in my heart and my soul, because I have studied the problem, that those small business people and the one to four people they employ are the people who will get us out of this recession. They will get people dreaming again. They will get people using their ideas and their ideals. Most of us have God given talents in certain areas that could help the country. As a government we have to prepare the climate for them to do those things.

We are now moving to a knowledge based new economy. It is going to radically change the way we compete in the open market. We have announced in our educational policies that as we reorganize the way we use UI or funding to universities we will make sure all our young people have a chance to go to school.

I have been told, because of the position we find ourselves in, that if young people want to enter the teaching profession their marks have to be in excess of 90 per cent. Lots of people who would be good teachers or would be good in whatever endeavour they wish to pursue are not getting those marks. If we empower them by putting money in their hands they are able to go to any university and have an opportunity like anybody else. Kids who are very resourceful, clever kids, come from an environment where there is a lot of money. There would not be a problem there, but I personally think it would be a much more imaginative way to approach funding for universities. Our young people are very important. We have to foster a climate where they have a chance, notwithstanding that they mature at different levels. In some cases their scores do not reflect their abilities. Some of us are late bloomers.

We are working on all these fronts in an integrated approach to make sure that we are coming up from the boot straps. We are going to give people hope again. We are going to make sure that they have the dignity of work. We are going to look at the climate of child care from the time a person is born. That is actually a second front in comparison to what has to happen now.

We have to kickstart the economy now with the infrastructure program. We have to get small businesses working, creating a climate of competitiveness, cutting our trade deficits between countries we are trading with and trying to export more. That is important for us. We have to bring our agriculture into a competitive position. By nature Canadians are very good at agriculture. That is our niche. That is what we do best. By putting money into research and development we can improve our wheat and the amount of milk our cattle produce. We can produce better strains of beef and products that are resistant to pests and various climatic conditions.

As we work in those areas that is the way we will get ourselves out of this recession, get Canadians working again and get our country working again.

The government is doing the right thing by reorganizing the department. The government is taking an integrated approach to the way we work with the economy. That includes looking after the debt because the debt is very important. We are not taking anybody else's policies. We are taking a balanced approach. We are not going to take $44 billion out of the economy because it will cause a recession; there is no question about that. We will work on a balanced approach of 3 per cent of GDP. In this integrated approach we will start to move one step at a time. That slow walk will pick up to a jog and then we will be up to speed.

I am pleased to be on this side of the House and I am glad we are reorganizing this department.

[*Translation*]

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, I draw your attention to identical provisions which appear in three bills recently tabled, namely clause 18 in Bill C–46, clause 17 in Bill C–52 and clause 8 in Bill C–53.

In Bill C–46, the provision reads as follows:

> 18. (1) The Minister may, subject to any regulations that the Treasury Board may make for the purposes of this section, fix fees that the Minister considers appropriate in respect of products, services, rights, privileges, regulatory processes or approvals and the use of facilities provided by the Minister, the Department or any board or agency of the Government of Canada for which the Minister has responsibility.

● (1540)

Once in effect, this clause will reduce Parliament's control over increases in government revenues. Although the process is not new, the enactment of such measures will result in greater powers of taxation.

It is important to note that, in 1991, some very controversial amendments to the Financial Administration Act considerably increased the power of the executive branch of government to impose fees and costs through legislation.

These amendments are found in Chapter 24 of the Statutes of Canada, 1991. Although they are questionable in some respects, the clause contained in Bill C–46 is even worse. Indeed, that provision allows the minister, or an official authorized by the minister, to fix discretionary fees within the department.

Sections 19 and 19.1 of the Financial Administration Act already provide sufficient authority to the Executive without making it necessary for Parliament to once again increase its power to collect more money.

At the time, members opposite fought tooth and nail against those amendments. I guess times change.

Clause 18 in Bill C–46 allows the minister to impose fees or increase those already applicable, without having to resort to any legislative instrument that would have to be registered and published under the Statutory Instruments Act and that could be reviewed by a competent parliamentary authority such as the Standing Joint Committee for the Scrutiny of Regulations. This is due to the fact that the clause allows the minister to set the costs but not to do so by order. The words "by order" were omitted from the bills now before the House. Those words are very important in the British parliamentary tradition, as they have always transferred to the executive power, that is, the Governor General in Council, the enforcement of all legislation.

I find this process unacceptable. If ministers can increase public revenue as they see fit, it would be logical for the relevant documents to appear at least in the *Canada Gazette*, which is accessible to all Canadians.

One of the main functions of this Parliament is to ensure fair and equitable taxation. Let us try to imagine what the Auditor General of Canada must do, in preparing his annual report, to find out if taxpayers really paid what they owe the government. The question would be: how much do they owe? The rule of law, a principle treasured by our constitutional monarchy, is being superseded today by the rule of the minister. An important point is the extent of the discretionary power that the minister gives himself in this clause.

This government's usual approach is to entrust its ministers with highly discretionary powers totally inconsistent with the most basic principles of sound fiscal management. Clause 10 of Bill C–22 concerning Pearson Airport, so strongly denounced by the Official Opposition, is a good current example.

The minister's authority is not limited to setting costs or charges appropriate in respect of goods or services.

• (1545)

Under Section 19(2) of the Financial Administration Act, the minister does not have to prescribe an amount up to the real costs in respect of a service provided. The use of these very subjective terms means that, from now on, the minister has the discretionary power to set costs above the real value and, secondly, that these discretionary decisions will not be subject to any kind of legal review.

I find it extraordinary that Parliament can delegate to a minister the power to decide by how much he will increase public revenue other than through taxes submitted and debated in the House of Commons.

Canadian courts, including the Supreme Court of Canada, have recognized the principle of domanial duality in administration. For those not familiar with this notion, it can be explained as follows: a truck used to move government household effects is government property, while a bridge is public property but useful to the general public. That is the distinction. That is what the courts call domanial duality.

The government could, for example, charge $20 an hour by ministerial order for the use of its truck without advertising or enacting regulations, but it could not charge a passport applicant for the full administrative cost of issuing the passport. The cost could vary depending on whether the application was sent to officials working in a run–down building in Montreal or in luxurious quarters in Toronto.

Finally, I am troubled by the description of the items for which the minister will be authorized to impose service charges and user fees.

This concept was picked up in the Financial Administration Act and was one of the main points of the Liberal opposition when it proposed amendments in 1991 concerning the power to charge fees for rights. You will see how the Liberals argued then.

I find it wrong for Parliament to say on one hand that a citizen has a legal right, or is entitled, to receive certain benefits and on the other that it authorizes the executive to charge a fee to have this right or benefit recognized. A right is a right; it is not something that an individual has to buy from the government.

I am trying to understand this new power to ask people to pay for regulatory processes. That is the term used in the clause in question: regulatory processes. This expression is so vague as to be meaningless.

What is a regulatory process? The clause itself rules out any recourse to the regulations. Or is "règlement" used in the French sense of reaching an agreement? By giving the word "règlement" this common meaning, agreement, the English version of the same clause would be meaningless, since it also uses the term "regulatory process". But what is it?

Also note the extended opportunity to collect funds through permits and licences and by other means.

In this context, it is clear that regulatory consent is similar to a licence or a permit. However, that is not the case with clause 18. The Financial Administration Act and this clause can lead to abuse.

It is plausible that a minister facing a deficit may increase his revenues by charging fees for every consent he gives; this will just lead to a new regulatory scheme to impose a basis for collecting new charges.

It is true that the power granted by clause 18 would be subject to the regulations that Treasury Board could make for this purpose.

• (1550)

Since it is not certain that Treasury Board will exercise this authority or, even if it did, that it would impose restrictions on the minister's discretionary authority, it is quite logical to think that the public's concerns are justified.

The citizen cares little whether what he is paying is called a tax, a charge or a fee: it is disguised taxation. Mr. Speaker, you will agree that this new Liberal tactic of collecting public funds by all sorts of devious means is much more like highway robbery in the last century than the forthright collection of fair charges related to a particular expense. They are changing the maxim from "ignorance of the law is no excuse" to "guess right".

[*English*]

**Mr. Joseph Volpe (Eglinton—Lawrence, Lib.):** Mr. Speaker, I am delighted to enter into this debate. This is an important bill even though it appears, as my colleague opposite indicated, to be a purely regulatory type of bill that tends to condense a lot of the difficulties, bureaucracies and regulations that are appended to the Department of Industry.

This is an important function nonetheless. It is important because the country desperately needs a Department of Industry that is fine tuned, well honed and whose processes for decision making are adapted to the conditions of the day, conditions that require immediate action that addresses the problems as they have emerged over the course of the last 10 years.

I say the last 10 years because some of my colleagues here are more familiar with the tradition of the last administration that stretched from 1984 to only 1993. However, in the latter part of that administration we saw the devastation of the economic dynamics of this country. It is the economic dynamics of this country that a bill such as C–46 addresses today.

It addresses these because the directions of the previous administration allowed forces of an economic nature to pull this country apart and to weaken the dynamics that allowed even on a regional basis for some growth, for some wealth and, I dare say for my colleagues on the Reform side of the House, for some fiscal generation so that we could either maintain programs on a national basis or at least support and continue programs that we felt were of a need from a regional point of view.

Let me give some examples. I come from that part of Canada which people love to hate but which is also very important to the economic vibrancy of the entire country and whose citizens have very dedicatedly and very willingly contributed to the consolidated general revenues of this country and have also done their utmost to engender that spirit of thrift, sacrifice and risk that comes with the responsibilities of those who would live in a country dominated by an entrepreneurial spirit.

The greater metropolitan area of Toronto, an area which I know, Mr. Speaker, you are quite familiar with, used to provide close to 40 per cent of all the revenues gathered from the consolidated general revenue fund. Some of my colleagues from the Reform side, not having had the glasses to adapt them to a larger vision of the country, might not appreciate that, but it is true.

Even in such a place the devastation and inadequacies of a government imposed on the economy saw, for example, the labour force go from 2,022,000 in 1989 at the end of the boom to 1,984,000 last year. In the process we saw employment drop from 1,934,000 to a mere 1,755,000. These are statistics dated at the end of December 1993.

What is interesting about that is not only the drop in the labour force but the increase in the unemployment. Unemployment went from 81,000 in Canada's richest city in 1989 to 222,000 this last December—222,000 unemployed.

• (1555)

For some of my colleagues who have a rose coloured glass view of the world, that is a population that exceeds almost all cities except the top six in population in this country. It exceeds the number of unemployed in most of the regions in this country. To make matters worse, the kind of dynamics that were unleashed by the last administration, the welfare cases rose to 672,000 in that same area and welfare payments ballooned, as one can imagine.

What we need—the Canadian public told us this in 1993—is a government that is structured such as to be able to address the needs of Canadians wherever they might choose to live in this country, and make that an absolute certainty, that it is where they choose to live.

If we are Canadians one of the hallmarks of our identity is that we have mobility and our country must be governed by a government that is willing to address not only our aspirations and our objectives and our needs, but also the development as we move along. We are not a country that pits one region against another. We need government instruments that allow us to address the needs as expressed on an ongoing basis, capable of meeting the changes that we see the world economy and our domestic economy impose on families, groupings, communities, cities, provinces and regions.

As my colleague from Bruce—Grey said a moment ago in a most eloquent fashion and a most precise fashion when he gave some specific examples of the potential that has yet to be exploited, one of the objectives of new Department of Industry, after it is structured, will be to highlight tourism.

Our Department of Industry has recognized that the current account deficit that we hold with the world cannot continue at the rate that we currently see. It is especially onerous on the tourism side because this country has enormous potential for tourism development, and yet we have very few programs that target the tourists emerging in various places around the world. For example, we do not have adequate programs to address the emerging tourism potential of western Europe or even the vastly and quickly growing tourism potential of Asia.

We see that if we are going to allow Canadians to look for a more aggressive future, one that promises fiscal security, monetary security and aspirations for our young people and for families, what we would have to do is take a look at where the jobs are being created. In some of the statistics I gave we could see that while there has been a decline in manufacturing not only in my own region of Ontario and the city of Toronto but virtually everywhere in this country unfortunately, what we have experienced at the same time is a growth in the service sector. There is no better sector than the tourism sector.

In the area of tourism we find that about 50 per cent more jobs are created in non–tourism related industries and businesses. These are not Canadian statistics, these are studies that come out of the OECD. This is an area where other countries have found similar experiences.

If we are going to build on something that is tangible, something that is there, we ought to take advantage of the natural beauty of this country, the natural resources that it offers from a tourism point of view and we ought to be able to marshall an industry that allows us to provide jobs today and tomorrow for a country that yearns for those days when it was realizing its potential. Those days can come again. We must take the appropriate measures to put the right structures and procedures into place, and this bill is one. I urge all members to support it.

• (1600)

**Mr. Benoît Serré (Timiskaming—French River, Lib.):** Mr. Speaker, I am happy to have the opportunity to address the House on the subject of Bill C–46, the Department of Industry Act.

I would not be doing justice to my own feelings on this bill if I did not state at the outset my firm belief that this is good legislation, a measure of which the government can be proud.

Bill C–46 and other organizational legislation introduced in this session are clear evidence that the government intends to live up to its commitment first stated in the campaign that saw it elected to power to restore and renew our administrative machinery. I am convinced that Canadians will view it as a positive step that will help restore public faith in the way our country is governed.

I have been listening to the discussion on the bill with considerable interest and have noticed that a constant focus of debate by the opposition has been the topic of regional development.

Here we have a bill, as the members opposite have themselves acknowledged, that deals with a tremendously broad range of responsibilities. The department has responsibility for industry and technology, trade and commerce, science, consumer affairs, corporations and corporate securities, competition and restraint of trade, bankruptcy, patents and copyrights, packaging, telecommunication, investments, small business, tourism. I have to pause and I have not yet exhausted the list.

[*Translation*]

All these responsibilities are vital to Canada's industry, trade and economic development. They affect all Canadians in every province and region, including Quebec. I, for one, think it would be unfair to my constituents to focus on a single aspect of the bill and ignore all other very important elements.

The arguments raised by opposition members are seriously flawed. First of all, according to them, since the Constitution does not define regional development as a federal responsibility, it therefore comes under Quebec's exclusive jurisdiction. The federal government has a special responsibility to the regions of the country whose economy is growing more slowly, as provided for in Section 36(1)(*b*) of the Constitution Act, 1982. This section requires the federal and provincial governments to further economic development to reduce disparities in opportunities throughout the country.

The way these responsibilities are discharged has changed over the years, just as the various regional requirements have evolved. The federal government used to try to reduce regional disparities, but it now emphasizes small and medium–sized business competitiveness and regional development.

Contrary to what some critics claim, the government remains very active in Quebec regional development. The Economic and Regional Development Agreement, or ERDA, with Quebec has not been renewed yet but it only expires in December, despite the opposition's allegations. The ERDA agreements will remain in force long after they expire, in some cases in 1996 and 1998.

If we stick to the facts, no one can say that funding for Quebec regional development is drying up. Between 1989–90 and 1993–94, federal contributions to Quebec regional development rose by 15 per cent, compared to the previous five–year period, to $1.4 billion over five years. I would like to see northern Ontario get part of that; it is not even in the same ballpark.

I admit that by making a commitment to reduce spending and to lower the deficit, the federal government was forced to cut the amount allocated to regional development. We made a special effort, however, to ensure that these cuts are spread fairly among all regions of the country.

[*English*]

That being said, the current approach to regional development in Quebec does not require the same level of funding as in the past. Business clients of FORD–Q were quite clear during recent consultations: they do not want any more grants. They want assistance in a form that helps them realize their potential and they want the government to reduce the size of our deficit.

• (1605)

There is a contradictory aspect to the opposition argument on regional development in Quebec. On the one hand, the federal government is faulted for not establishing a separate department or agency for Quebec as is done with WED and ACOA. On the other hand, the federal government is criticized for wanting to ensure that all regions of Canada benefit from economic development.

I repeat, the constitutional provision to promote economic development exists so as to create a more level playing field. The field we are talking about is not only Quebec but all of Canada.

I am confident the people of Quebec will demonstrate their confidence in the federal government's plans for encouraging economic growth and job creation.

There are practical reasons FORD–Q does not have separate legislation. The main preoccupation, the main priority of the government is job creation, not creating new administrative structures. Bill C–46 is intended to consolidate, not separate. Therefore it retains existing provisions regarding regional development. As is currently the case, control of regional development in Quebec will again be transferred to the Minister of Finance by order in council.

I am sure that the opposition wishes, as do all members of the House, to see the Quebec economy prosper. The government is steadfastly dedicated to that objective. Bill C–46 creates an organization that will assist Quebec and all of Canada move toward that goal.

I urge the House to give it speedy passage.

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

*During the ringing of the bells:*

**The Deputy Speaker:** Pursuant to Standing Order 45(5)(*a*) I have been requested by the chief government whip to defer the division until a later time.

[*Translation*]

Accordingly, pursuant to Standing Order 45(5)(*a*), the division on the question now before the House stands deferred until 5.30 p.m. today, at which time the bells to call in the members will be sounded for not more than 15 minutes.

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[*English*]

## DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES ACT

The House resumed from October 18 consideration of the motion that Bill C–52, an act to establish the Department of Public Works and Government Services and to amend and repeal certain acts, be read the second time and referred to a committee.

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am pleased to be able to speak on Bill C–46 which is the bill setting up the new Ministry of Industry.

Like the member for Eglinton—Lawrence, I was surprised to hear members of the opposition referring to this as merely mechanical, organizational legislation.

Bill C–46 which sets up this new department is in fact a part of the—

• (1610)

**The Deputy Speaker:** Order. I realize that things often happen very quickly here but the member's comments thus far relate to a different bill. We are on a different matter now. Perhaps there was a misunderstanding but we are on Bill C–52.

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, a point of order. I wonder if you could clarify for the House how we moved from Bill C–46 to the next bill. Somehow this happened at a time when the member for Peterborough was about to speak to Bill C–46. Of course, we were interrupted by the amendment from Her Majesty's official opposition.

**The Deputy Speaker:** Members are always of good faith. The matter actually went through. The question was called and the vote on the amendment was deferred. Once that vote is taken we will come back to Bill C–46.

We have now moved to a different bill. Does the member for Peterborough wish to speak to the new bill?

**Mr. Adams:** No, Mr. Speaker.

[*Translation*]

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am pleased to participate in the debate on Bill C–52.

Since the House resumed sitting, we have been looking at a new structure for several federal departments. This restructuring exercise results from a wise decision made by the Prime Minister to streamline the federal administration in order to make it healthier, more efficient and, in particular, to save precious dollars for Canadian taxpayers.

Under the Conservative government, Cabinet had no less than 40 ministers, not to mention the political and bureaucratic support required, as well as the costs involved. We now have 20 departments which are more efficient and which will provide better and quicker service to taxpayers. The government is convinced that it can meet its objectives by pursuing four goals: streamlining the delivery of a number of services and programs; eliminating duplication and overlapping; defining the responsibility of each sector; and transferring some activities to other levels of government.

The bill which we are looking at today meets these objectives. Indeed, its goal is to make policies and programs more efficient, more affordable and also more accessible to our clientele, the citizens of our country. To determine, in consultation with provincial governments, who is in the best position to deliver a program or a service, and to make provision for adjustments to cope with changing priorities and situations from province to province are specific and realistic objectives designed to provide a better service to Canadians.

There is no doubt that, with the co–operation of the provinces, we can quickly make significant progress in this area. There is no doubt either that the review of all our programs and services in order to reduce duplication and overlapping is very important to Canadians. Every level of public administration is experiencing budgetary problems. Every government must find solutions to the growing deficit. We must spend wisely the money entrusted to us.

We must do more with less. In the past, everyone wanted their own structure, their own showcase, their own projects and their own service centres. However, we can no longer afford to support all that. Generally speaking, Bill C–52 will streamline the administrative procedures which allow us to reach agreements with the provincial governments.

• (1615)

I think that the infrastructure program is a perfect example of co–operation between the various levels of government. It confirms that, by pooling our resources and projects, we serve Canadians better while also creating many jobs in the process. The infrastructure program, which was clearly presented in our red book, is ideally suited to our current needs. We all agree that there is nothing to be gained by letting a country's infrastructure deteriorate, since this reduces its efficiency and, consequently, its competitiveness.

In Quebec, about one hundred very valuable projects were supported and approved by municipal, provincial and federal authorities. In several cases, work has already begun. Consequently, it is not surprising that people were shocked when the new Quebec minister of municipal affairs announced his intention to review dozens of these projects.

A new government has the right to do things differently from its predecessor. It can certainly do so when its plans and intentions were clearly stated to voters during the election campaign. For example, during the last federal campaign, we clearly indicated which programs we were going to eliminate.

We also said that we would look at the Pearson Airport deal and would cancel that project if we felt that it was not in the best interests of Canadians. And we did just that. So, it is normal for the new Quebec government to review projects, provided it indicated its intention to do so during the election campaign.

There can be no misunderstanding on this issue, and voters clearly got the message. However, in the case of the infrastructure program, we are talking about projects which have been proposed by municipalities, reviewed at the provincial level and, once approved and recommended by the Quebec government, reviewed and accepted or rejected by the federal government. All these projects were approved according to specific rules clearly stated from the beginning. We are therefore concerned to see the new Quebec government start from scratch.

I do hope that once the new Quebec minister of municipal affairs looks at these projects—hopefully in the very near future—he will confirm them, so that the communities and municipal organizations concerned can pursue the work which had already begun regarding these very important projects.

For example, in my own riding of Saint–Léonard, residents have been asking for years that a community centre be built to provide various services. The construction of that centre has now been put on hold and I hope that the minister will give his approval as soon as possible, so that work can begin on this very important project.

**Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ):** Mr. Speaker, I am very pleased to speak on Bill C–52; I am especially pleased to speak on it because the riding which I represent in this House, Anjou—Rivière–des–Prairies, clearly lacks government services. I want to talk about this before getting into the main subject.

The only government buildings in my riding are marine navigation lights, a post office, an employment centre and an empty office building. That is not much. First we have the navigation lights. I think that the federal government cannot avoid this responsibility since the Rivière des Prairies flows through my riding and it must be marked with navigation lights. This is an absolute necessity. Then there is a post office in the heart of Ville d'Anjou, but having a post office in my riding is certainly not unusual since the riding of Anjou—Rivière–des–Prairies is one of the most populous in the Montreal area. In that regard, not having a post office would be inexcusable.

• (1620)

As regards the need for a Canada employment centre in my riding, I think that for a better understanding of what is at stake here, I should point out to the House that the riding of Anjou—Rivière–des–Prairies, located in the eastern part of Montreal Island, is considered by many experts to be an economically depressed area: the unemployment rate is much higher than in the greater Montreal area; the number of welfare recipients is at record levels; it has the lowest average household income; and the school drop–out rate is one of the highest in Quebec. That being said, I do not think having a manpower centre in my riding is a luxury. It meets a real need among my constituents.

However, according to rumours in my riding, the centre may be moved to the Saint–Léonard riding, next door. It seems this would allow for better allocation of available resources. In fact, the real reasons are pretty obvious. First they expand the area covered by the manpower centre responsible for East Montreal. They consolidate various services in the same building, so that offices already being used are now too small or redundant. Finally, the new Department of Public Works and Government Services decides to move the offices to a new building, where it

can offer government services first and foremost to a riding that, incidentally, voted for the winning side. Quite a coincidence.

In fact, if the rumours I mentioned earlier are true, the new government offices will be located in one of the least disadvantaged areas of Montreal.

Of course for the time being, these are just rumours. Nevertheless, there is a precedent. I realized this when I looked at the history of politics in this riding. The first Canada Employment Centre to open its doors in this riding was inaugurated in 1984. At the time, it was an extension of the employment centre located in the present riding of Saint–Léonard. Of course, at the time, in 1984, the riding of Anjou—Rivière–des–Prairies did not exist and Ville d'Anjou was part of the riding of Anjou—Saint–Léonard. After the election in 1984, this riding was represented in the House of Commons by the present member for Saint–Léonard.

In the fall of 1988, we had an election, and Ville d'Anjou was then part of a new riding, Anjou—Rivières–des–Prairies. The riding was represented by the future minister responsible for the development of greater Montreal, and interestingly, the employment centre in my riding became a full–fledged centre from that very moment. Since it was then too small, the employment centre's offices were moved, this time to the riding of Anjou—Rivières–des—Prairies.

In 1993, another election. Voters in Anjou—Rivière–des–Prairies elected a member of the Bloc Quebecois to represent them, as did many Quebecers during this last election, and hence current rumours that the employment centre is going to be relocated.

To end these rumours, the Minister of Public Works and Government Services need only have answered my question to him about the activities of his whole department in my riding, as several Bloc members asked him about theirs. The letters we received suggested that it was impossible for financial and accounting reasons to explain what is going on in the ridings.

Given that, you will understand my disappointment with the vote on the amendment moved by a fellow Bloc member for a committee to monitor this department. You will agree with me that setting up a public monitoring commission with the mandate of scrutinizing the contracts let by the Department of Public Works and Government Services would be the best way to ensure the openness that the Liberal Party promised us so much in its famous red book that everyone quotes abundantly.

We find such openness nowhere in any of the departments we address. I shall take a few current examples since they are very recent.

• (1625)

We have been trying to find out how many family trusts there are, how many billions are involved and for how long this money will not be taxed. We are not getting any answers. No one can give us exact figures.

There is also the Canadian Security Intelligence Service. Some very serious allegations are being made that it has infiltrated a political party, specifically the Reform Party. This service's activities are subject to review by an independent committee, but when that committee's members appear before a House committee, the only reply they will make to our questions is that they have become accustomed to not giving a definite yes or no as an answer. This is not transparency.

Let us look at the events surrounding the Pearson airport affair. A bill to deprivatize Pearson was introduced, and of course the people who invested money in the airport will be making claims. The bill provides that these claims will be heard in camera by the minister responsible, rather than here in this House, or before the Canadian people. This is not what I would call transparency.

An ethics committee was struck to keep an eye on lobbyists. Rumour has it that this whole business is unsavoury. And to whom does the committee report? Instead of reporting to this House, it reports to the minister.

The Communications Security Establishment, which is allegedly involved in spying activities on a large scale throughout Canada and perhaps internationally, has been mentioned today, and indeed with increasing frequency for a few days now. Eighteen hundred people are involved in its operations, and although difficult to estimate, its budget seems to be in the range of two hundred and fifty or three hundred million dollars.

This brings us to another subject, the inquiry conducted by the Keable Commission which published some extremely important information. I may recall that the commission—I will read the first paragraph of the inquiry—started its proceedings on March 8, 1976. The commission reported as follows: Former RCMP officer Robert Samson was summoned to testify behind closed doors at his trial on charges of placing a bomb at the home of Samuel Dobrin. He revealed that in 1972, members of the three main police corps operating in Quebec searched the premises of the Agence de presse libre du Québec without a warrant. This unlawful search was part of a police operation under the code name "Bricole".

Subsequently, the Keable Commission was to question all the witnesses who appeared in this case, and the commission's initial terms of reference were gradually expanded as it discovered more and more facts.

At one point, the people conducting the inquiry tried to obtain specific figures and information from the Royal Canadian Mounted Police, and when the RCMP refused, they went to court. The Supreme Court ruled in favour of the Royal Canadian Mounted Police, and I would like to read to you what the members of the Keable Commission thought of this ruling. The following appears in Chapter 3, paragraph 3: "The Supreme Court's judgment recognizes the right of the Solicitor General of Canada to evoke, without further explanation, the interests of national security as grounds for refusing to produce documents relevant to a commission's inquiry. In so doing, the Supreme Court reinforces what Chief Justice Jules Deschênes of the Superior Court referred to, in a detailed study of section 41(2) of the Federal Court Act, as the absolute privilege which shields the executive from the judiciary. Of all the countries whose jurisprudence in this area was examined by Justice Deschênes, including England, Australia, New Zealand and the United States, Canada is the only country that repeatedly favours the doctrine of absolute privilege".

In other words, there are citizens in this country who are above the law, against whom no legal recourse is possible.

This is what transparency means, and unfortunately, Bill C–52 does not provide the controls we proposed. They are not in this bill, and we will therefore vote against this legislation.

• (1630)

[*English*]

**Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Mr. Speaker, it is a pleasure to talk about the legislation presently before the House and to look at the amalgamation of different government agencies into consolidated departments, particularly this one of public works and government services. The amalgamation of most of the federal government's common services into one portfolio is a sound step toward improved efficiency and better service delivery of government programs and services.

The first and most obvious opportunity is the capacity of a centralized body to reduce wasteful duplication with consequent savings to the taxpayers. This is already apparent within the Department of Public Works and Government Services. It will become even more so over the next four years as the overall staff requirements are reduced by close to 30 per cent.

This consolidation of operations will bring annual savings of hundreds of millions of dollars and make a real contribution to streamlining government operations and contributing to deficit reduction.

Cost effectiveness can only be one of the reasons why amalgamation of the government's common services makes good sense. It also provides a single focal point to the scores of government departments and agencies that depend on public works and government service for services. It creates an environment in which Public Works and Government Services Canada is better able to understand the whole range of its clients' needs and deal with them on a comprehensive basis. Similarly it provides a single operational point of contact for the tens of thousands of companies and individuals that do business with government every year.

By standardizing policies and procedures and by developing more streamline procurement systems, Public Works and Government Services Canada can make it more fair, more simple and less costly for these people to do business with the government. Finally, the consolidation of our common services creates a really impressive body of specialized expertise on a wide variety of matters relating to government services and government administration.

One of these centres of expertise that has come into the department through the amalgamation is the government's translation bureau. Few people are fully aware of the wide range of services and enormous volume of output that this organization provides to Parliament and to government on a continuing basis. With a staff of some 1,200 employees the translation bureau looks after translation and interpretation services for Parliament and government departments, agencies and commissions, as well as acts as the prime authority for the standardized terminology throughout government.

Besides its basic responsibilities relating to Canada's two official languages, the bureau provides translation services in more that 150 languages as well as interpretation services for some 40 languages and dialects including sign language. The translation bureau is also an important user of services provided by the private sector in this field, issuing in a typical year more than 8,000 contracts for outside work. On average the bureau translates over 300 million words annually. To give some idea of the scope of this accomplishment, it represents the contents of about 4,000 books each of 250 pages in length. If you have heard my French, Mr. Speaker, you would realize how important good translation is.

The bureau also translates more than 100,000 weather bulletins a year through its Météo system, a computer assisted translation system. It provides about 20,000 person days of interpretive services. On top of all this the bureau responds to an estimated 150,000 telephone inquiries each year from client departments, suppliers and the general public seeking information regarding correct terminology.

The move of the translation bureau under the umbrella of Public Works and Government Services Canada was and is a logical and sensible move. The bureau provides an important common service to departments and agencies and to the public. It does extensive procurement for services with the private

sector. In other words, it shares the same characteristics as the other common service elements of the department and will benefit from being integrated with them.

Another of the important but sometimes overlooked common services that Public Works and Government Services provides for the government is that of the receiver general. This responsibility which was transferred to the minister from the former Department of Supply and Services Act covers a multitude of central financial and banking functions vital to government operations.

• (1635)

The duty of the receiver general includes the issuance of payments in response to inquiries, settlement and redemption of payments, performance of other treasury operations such as receipt processing, payment of banking fees relating to inflows and outflows from the consolidated revenue fund, maintaining the general ledger and preparing the financial statements of the government.

The receiver general is basically responsible for all public moneys received and disbursed by the government and for all balances held on deposit in the Bank of Canada and with other financial institutions. The receiver general must also maintain the official accounting records of the government and provide extensive analysis and reporting on the government's transactions and positions as may be required by Treasury Board, the finance department or others.

The volume of transactions generated by these responsibilities is enormous. Each year the receiver general must process some 30 million deposits and over 200 million payments. With this volume of work the function of the receiver general is one that can benefit from the application of new technologies now available to speed service, deliver and reduce the cost of delivery.

There has been considerable progress on this front. For example, of the 200 million payments made annually 30 per cent are now made by direct deposit and this percentage is growing each year. Over the last three years the department reports that some 133 million paper cheques have been converted to direct deposits. This conversion has resulted in initial savings of some $41 million in postage and banking fees, and annual savings are now in the order of $18 million. I am sure members of the Reform Party will be more than delighted at this progress and will be supportive of what we are doing here.

The cost cutting measures already taken by Public Works and Government Services Canada over the past year demonstrate the wisdom of consolidating the department's common services into a single department. The bill will give the department the legislative base it needs to continue to accelerate its efforts to provide better and less costly common services.

**Mrs. Jean Payne (St. John's West, Lib.):** Mr. Speaker, I am pleased to speak to the bill today.

The basic mandate of the Department of Public Works and Government Services is "to provide cost effective and efficient delivery of common services to government departments and agencies". This seemingly simple statement of responsibilities in fact represents an enormous challenge, given that the department must deliver a vast range of diverse products and services to more than 150 federal departments and agencies with physical locations scattered all across Canada.

The department bears much of the responsibility for fulfilling our government's directive that the administration of its operations must be made more efficient and that waste and duplication must be rooted out throughout the service.

As the primary provider of common services for the government it must take a lead role in meeting the government's goals in that respect. I think this is a good argument for the amalgamation and centralization of common services for which the department was formed, and for the bill which will give legislative force to its operations.

In pursuit of its mandate Public Works and Government Services must try to achieve greater levels of both standardization and flexibility in its operations. Standardization in such areas as communications systems, procurement processes and so forth can make a real and positive contribution to reducing administrative costs throughout government. In its service to client departments, Public Works and Government Services must also strive to be as flexible as possible so as to address the real needs and to respond quickly and effectively to them.

One of the techniques used by the department to give it flexibility of action, which has been carried forward from previous legislation, is the use of revolving funds. A revolving fund is essentially a revenue spending authority. It is a standing authority like a line of credit which given to the organization enables it to use its revenues to pay all or a portion of its expenditures.

The objective is that all revenues will equal all expenditures over time. It is the continuous authority to draw on the consolidated revenue fund up to a specified limit, as opposed to an annual appropriation of cash. Revolving funds are particularly useful in facilitating large scale, multi–year projects, the type of projects Public Works and Government Services Canada frequently undertakes in the service of its clients.

• (1640)

Bill C–52 provides for the transfer of six such revolving funds from their existing legislation with no change in their terms and conditions. These include architectural, engineering and reality services; consulting and audit Canada; the Canada Communication Group; government telecommunications and informatic services; optional services; and the defence production revolving fund.

In addition the bill establishes one new revolving fund for the disposition of real property. The new real property disposition revolving fund is being established to permit the repayment of expenditures made in the disposal of real property from the proceeds. At present parliamentary appropriations are used to fund these expenditures.

As members are aware, the new department and one of its predecessors, Public Works Canada, have been quite active over the past few years in disposing of unwanted and unneeded federal property which represented an unnecessary cost to the Canadian taxpayer. The establishment of the revolving fund will streamline and simplify the administration of this process in the future.

The Minister of Public Works and Government Services was recently made aware of certain practices within the Canada Communication Group in which the revolving fund was used to carry over funding from one fiscal year to another.

The minister responded quickly to deal with this problem. Working in conjunction with Treasury Board the minister took a number of steps to rectify the situation, including identifying and confirming the exact amount of funds that had been deferred for each department, invoicing departments for expenditures already made against these funds in the current year, immediately taking steps to return these funds to the consolidated revenue fund as a refund of expenditures for prior years, conducting a refund of all the revolving funds in the department, and instituting a series of processes and systems to improve management control over them.

The speed and decisiveness with which the minister responded to this problem attests to the government's absolute determination to govern with integrity and to take every possible measure to restore public confidence in the way in which government conducts its business. It also provides a good example of the value of amalgamating the government's common services within one portfolio.

In dealing with the situation the minister was not only able to correct the particular problem that had occurred in one area but also to take steps to ensure that similar problems could not arise in other similar operations within his department.

The new Department of Public Works and Government Services has demonstrated in its first year of operation that it is as valid and viable operation. It has already saved taxpayers' money by the elimination of duplication. It provides one–stop shopping for its client departments and a central focal point for suppliers and contractors to government. It has controlled a valuable body of specialized expertise in government administration and improved the government's ability to serve Canadians efficiently and effectively.

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** Mr. Speaker, as stated in the red book our challenge is and always will be to do more with what we have. Governments everywhere are striving to maintain and to improve service levels to growing populations and to public demands that we do more and be efficient, more open and responsive in the delivery of services in communication with our citizens.

At the same time governments face equally challenging tasks of making their operations more cost effective, reducing expenditures and easing the financial burden that must be shouldered by the people. This is a universal challenge and one that must be met by this government and by all levels of government in Canada, the United States, Japan, Europe, and indeed the world.

The experience of the past decade indicates that one of the most effective ways of meeting the seemingly conflicting goals of better service at lower cost is through the development and application of advanced technology to the operation of government. The Department of Public Works and Government Services has made considerable progress in applying automated systems in delivery programs and services.

A new and advanced communications technology has helped to become more efficient in all aspects of communication within government, within communications and with the Canadian public. The technologies in this field are evolving rapidly. It is vitally important that the federal government keep pace with change, make maximum use of emerging technologies and make our operations more efficient and more cost effective. For this reason I believe the changes embodied in the creation of the Department of Public Works and Government Services represent that positive step.

• (1645)

I refer specifically to the decision to merge the government telecommunications agency, formerly the department of communications, with those portions of former public works and supply and services that dealt with informatics to a new a stronger unit known as government telecommunications and informatics service, or GTIS for short.

An amalgamation of the units will eliminate some duplication of function and will result in cost savings. More important, it creates a comprehensive centre of knowledge and expertise on all aspects of advanced telecommunications and informatics technology. Further, it recognizes the trend in the industrial sector toward convergence of computing and communications technologies.

By locating the agency within the Department of Public Works and Government Services at the very heart of government, it will be in a stronger and more central position. This will benefit the government chief informatics officer, the scores of federal departments and agencies for which PWGSC provides common administrative services, and its home department.

The new GTIS provides information management and information technology to assist in the automation of government administration and provides the common infrastructure for program delivery. GTIS is committed to constructing an information management and information technology infrastructure to support both central responsibilities such as the Receiver General and common services such as procurement and realty management.

It also is the functional and technical authority within the Department of Public Works and Government Services for information management and information technology architecture, standards, policies, practices and guidelines. Generally GTIS is working to develop open and standards based government–wide information management and information technology architecture and infrastucture.

The importance of applying these new technologies to government operations cannot be underestimated. To take just one example, the electronic procurement and settlement system which is being designed by PWGSC will when it has government–wide application offer annual cost saving methods of several hundred million dollars to government and suppliers.

This system, known as EPS, unites the traditionally separate functions of procurement and finance into a single process. EPS will link client departments, suppliers and central common settlement systems allowing them to do business electronically. It will achieve improved service and reduction in related overhead costs. It will put control of procurement in the hands of users without burdening them with the details of process. By next year it is expected that widespread use of EPS by suppliers and departments throughout government will begin.

EPS is a flexible system and one that is workable. The electronic procurement settlement system is but one example of the many applications designed to streamline the operations of government that are being designed with PWGSC and within the government telecommunications and informatics service. Others include the new public service compensation system, the standard payment system, the common departmental financial system, and the government message handling service.

The amalgamation of government expertise and capabilities in this important field through the creation of the government telecommunications and informatics service, GTIS, makes eminent good sense. It will continue to pay off down the road in the form of more effective service delivery and lower administrative costs throughout government. It is one more reason to support this measure to give legislative force to the Department of Public Works and Government Services.

• (1650)

**The Deputy Speaker:** It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of the adjournment is as follows: the hon. member for Kamouraska—Rivière–du–Loup—Manpower training.

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, I am happy to rise in the debate on Bill C–52, the public works and government services act.

Less government, less cost, a more responsive attitude: This is the message Canadians are giving us with respect to our government operations.

I conducted a social policy forum in my riding just last Sunday. It was held at Durham College in Oshawa. Many speakers gave me their views on how to change our social programs. This is an important part of our democracy in ensuring that the people who are affected by policies are involved in them. While this forum did not deal specifically with the structure of government, speaker after speaker expressed their views of the need for a smaller and more efficient government that would interact with the public in a manner that would restore meaning to the phrase civil servant.

Many of our civil servants are in fact caring and responsible hard working people who work diligently in the best interests of Canadians. Sustained salary freezes and a moratorium on hiring has created despondency in the ranks of the civil service. The concept of upward mobility seems to have been roadblocked.

Now is the time for new and innovative changes which not only reduce the cost of government operations but most important deliver services more efficiently and more responsibly to the public. Often people are treated to telephone answering machines with messages never returned, or overworked line people who after their 90th unemployment insurance case seem uncaring and unsympathetic.

We must do better. We must rethink our whole attitude toward public sector employment. We must involve employees and the public in the evolution of a new system which will still meet the demands of all Canadians.

We must be prepared to experiment in the public sector in order to achieve a more efficient system. When we say experiment, we mean just that, being prepared to start on a test basis certain pilot projects which will then in turn be monitored to see how they can be extended to the public at large.

I know members would like me to give an example of such a system. We have all been dealing with trying to struggle with a harmonized consumption tax system. The duplication between the provinces and the federal government along with the burden to small and medium sized business has been mentioned many times in this House. In addition, two collection authorities duplicate the work of the government side on this transaction. Indeed in the case of the federal government, it results in over 7 per cent of the funds collected. Currently the harmonization of these taxes has eluded both jurisdictions.

Here is the start of a solution: Why not form an agency for consumption tax collection? This agency would have transferred to it the necessary staff and equipment to collect existing federal tax. The agency would then be set free from the government. The federal government would then become its client.

We could work out a formula for the receipt of tax based on the quantum of moneys collected as well as a bonus for the satisfaction of the general public. The agency would then sell its collection services to the provincial governments, offering to collect their taxes as well. Members will note that there will be no change in tax authorities or who gets what money. It seems to me this would eliminate some of the distress which now exists between jurisdictions. At the same time it would afford for a more efficient collection system.

From this initiative it would not take long for such an agency to suggest to the provinces and the federal government an effective way to only collect the tax once rather than requiring the duplication which now exists.

This is just one illustration of how government could change in order to meet the objectives of Canadians which is for an efficient and effective government, working better and smarter.

Bill C–54 follows this vein by consolidating certain departments of public works and creating a new procurement policy. What is in it for the taxpayers? A reduction of $180 million after five years in operation. A reduction in jobs from 18,000 to 14,000. In addition, due to the last budget, a further reduction of $30 million. These are no small accomplishments, even though members in the opposition would have us believe otherwise.

• (1655)

I would now like to turn my attention to an important new aspect of the procurement policy as outlined in the bill. It relates to contingency fees.

Before coming to the House today I looked up the definition of contingency fees: A future event or circumstance regarded as likely or as influence on present action. This means someone profiting by the success of securing government business. This is a concept of reward not consistent with the public's demand to move toward more integrity in our system. This is the sort of thing that should be abolished and should also be abolished in general lobbying with the federal government.

Since last May all the department's contracts contain a clause requiring bidders to certify they have not hired a lobbyist to solicit award of the contract, where any part of the lobbyist's payment depends directly or indirectly on a client obtaining the contract, or a contingency fee. This is a very good thing.

The minister has also moved quickly to make major improvements in the way contracting for advertising and public opinion research had been handled by the previous government. Previously, there were no effective guidelines for the purchase of these important and sensitive services which left the door open for widespread abuse and political patronage.

For the first time ever, new guidelines have been developed and promulgated with the approval and backing of cabinet. They have brought the procurement of advertising and public opinion research into line with the thrust and policies governing all procurements, namely fairness, openness and transparency.

These guidelines ensure that all contracts awarded for these services advance the policy interests of the government. They ensure that they reflect the government's determination to restore public confidence in the system and the way it conducts the public's business.

By increasing the use of the open bidding system, by introducing the lobbyist clause and by developing new strict guidelines dealing with advertising and public opinion research, the minister has demonstrated his commitment to building a fair and open approach to government procurement.

The Prime Minister has made it clear that restoring public confidence in the integrity of government is a matter of high priority. Dealing fairly and honestly with the thousands of Canadian individuals and companies who do business with the government can go a long way toward achieving that goal.

Passage of the Department of Public Works and Government Services Act will ensure there is a central point of responsibility within government to ensure that the principles and policies governing government procurement are enforced, monitored and adhered to.

[*Translation*]

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** Is it the pleasure of the House to adopt the said motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

*And the division bells having rung:*

**The Deputy Speaker:** Pursuant to Standing Order 45(5)*(a)* I have been requested by the chief government whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(5)*(a)*, the division on the question now before the House stands deferred until 5.30 p.m., at which time the bells to call in the members will be sounded for not more than fifteen minutes.

* * *

• (1700)

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from Tuesday, October 18, consideration of the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read the second time and referred to a committee; and of the amendment.

**The Deputy Speaker:** When we stopped the last time, the Parliamentary Secretary to the Minister of Fisheries and Oceans had the floor, but since he is not in his seat, I recognize the hon. member for Drummond.

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, the government is introducing for second reading Bill C–53, an Act to establish the Department of Canadian Heritage and to amend and repeal certain other Acts.

The purpose of this bill is to give legal form to proposals of the previous Conservative government to merge several departments. This exercise is presented as a political and economic measure, that of reducing the size of the Cabinet.

At first glance, one might agree with the economic arguments for this operation. By merging a number of governmental responsibilities and activities, with a view to streamlining operations, we could achieve some savings. However, to do that, the government would have had to limit itself to the mere merging, in one single department, of services scattered in different departments. The government would have had to take this opportunity to do the necessary house cleaning and to streamline its operations while looking for duplication of responsibilities with the provinces.

It did not do that. In this bill, much praised for its economic virtues, streamlining takes a back seat compared to the reaffirmed will to occupy fields of jurisdiction which constitutionally belong to the provinces.

In the area of culture, in particular, the government had a good opportunity to satisfy its stated economic interest while giving Quebec something it had been claiming for years under the Constitution. Unfortunately, it does nothing of the kind, and instead, maintains duplication and overlapping with programs the objectives of which are short–circuiting those of similar provincial programs.

All this at a time when neither Quebec society nor Canadian society can afford such counterproductive and expensive interventions. This operation, which could have been economically rational, is anything but. It perpetuates one of the economic flaws of federalism through continued spending in a field of jurisdiction which is not federal.

With respect to this bill, had the government not wanted to listen to economic reason, it could at least have listened to its own Constitution. In 1867, the Canadian Constitution gave authority to the provinces in the areas of communications and cultural matters. The Constitutional Act of 1867 gave the provinces jurisdiction over all private and local matters and recognized Quebec civil law. Education, which is closely connected with culture, was recognized as a provincial field of jurisdiction.

Section 40 of the Constitution, which was unilaterally patriated in 1982, states that when an amendment is made regarding education or other cultural matters, Canada shall provide reasonable compensation to any province to which the amendment does not apply.

In fact, the constitutional acts are clear and give the provinces exclusive legislative powers over cultural matters. Had it not been for the spending power of the federal government, we would not be witnessing today this futile fight, the main victim of which is the specific cultural identity of Quebec.

With this bill, once again, the federal government fails to recognize the cultural reality of Quebec as a distinct society having, as its main characteristic, its language, which it inherited from one of the two founding nations of Canada.

Instead of recognizing Quebec's cultural reality and taking appropriate action, this bill reflects a pan–Canadian cultural identity based on the theory of a bilingual and multicultural society. The federal government is feeding utopian views which pose a real threat to Quebec from a cultural and linguistic point of view. Bilingualism, in particular, is utopian.

• (1705)

Every report, every study has come to the same conclusion: the use of French in Canada has not improved, quite the opposite. As a journalist, Michel Vastel, so rightly put it, the use of French in everyday life never spread even here in Ottawa, the capital of an officially bilingual country. Twenty–five years after the Official Languages Act was passed, we are still waiting for French to take its place in the sun, beyond mere use in legislation, whether it be in day care centres, at school board meetings, in movie theatres, in hospitals, or in banks.

Sixteen years after moving here, in an article published in the magazine *L'Actualité*, Michel Vastel sums up his experience of bilingualism in the nation's capital, by stating: "In Ottawa, only in public buildings will you find the illusion that the two languages are equal. Beyond this facade, Ottawa is like any small, unilingual city in Ontario. Here, people leave French at home".

This is just one testimony among many that will certainly leave many of my colleagues sceptical. Unfortunately, all the reports tabled by the Commissioner of Official Languages are packed full of such examples which tend to indicate, if one were to read between the lines, that outside our main institutions, bilingualism is still sheer utopianism.

The province of Quebec has realized that bilingualism does not help to preserve and promote its cultural identity. However, Quebec still provides, in many areas, exemplary services to its English–speaking minority. As a French society completely surrounded by the English culture, Quebec has the duty and the historical responsibility to preserve its cultural identity, its distinct identity.

Why not stop beating around the bush and provide the province of Quebec with what the Fathers of Confederation set aside for this province in 1867? Why does the federal government show such sterile and costly stubbornness when it comes to historical demands unanimously approved by every successive Quebec government for decades now, regardless of their political allegiance? For what economic or social reason has the government refused, during constitutional negotiations and again today in this bill, to give Quebec complete jurisdiction over cultural matters?

Mr. Speaker, will you let me finish my speech? It will take me perhaps five more minutes.

**The Deputy Speaker:** Colleagues, does the hon. member have the unanimous consent of the House to continue for five more minutes?

**Some hon. members:** Agreed.

**Mrs. Picard:** These are the questions that Quebekers ask themselves and which they will soon be able to answer, among others, during a referendum on Quebec's political future.

In the meantime, the government could have made the best of it and done something significant to prove its good faith concerning what it calls national reconciliation. For all provinces and especially Quebec, jurisdiction over cultural matters is of the utmost importance. Their numerous demands in that sense have always been rejected. For sure, the goal here is not only to put an end to the waste generated by overlap, but also to ensure cultural survival and development. And judging by this bill, the government apparently failed to understand this.

Last week, the finance minister said that we were in hock and that we could not go on like this. According to him, the economic situation of this country is unbearable. One reason for this unbearable situation remains that the Canadian government uses its spending power indiscriminately in areas under provincial jurisdiction. It insists on controlling everything whatever the cost. Well, the cost is unbearable. This is what we have been saying in this House, but to no avail.

• (1710)

With the government threatening to cut social programs by several billion dollars, what is even more unbearable is that the Canadian government has clearly indicated in Bill C–53 that it wishes to impinge on yet another provincial jurisdiction and to ignore every primary rule of productivity and overspend. This is why this bill also appears unbearable to me.

[*English*]

**Mr. Bill Graham (Rosedale, Lib.):** Mr. Speaker, it is a privilege for me to speak on this bill on the reorganization of the Department of Canadian Heritage.

This department has many extraordinary, important responsibilities but the one I would like to speak about to the House today relates to its responsibility for multiculturalism.

As the House knows, the Department of Canadian Heritage will be responsible for the promotion of greater understanding of human rights, fundamental freedoms and related values as well as multiculturalism.

It seems to me that when we are speaking about this topic we owe it to ourselves to look at it from the point of view of our ridings, which includes our neighbours and our friends, and also our country and the importance which this subject has for the development of Canada. I would like to look at it from both those perspectives.

I have the privilege to represent the riding of Rosedale which includes some of the most complex areas of downtown Toronto. In St. Jamestown, which is part of my riding consisting of about 10,000 people, we estimate there are some 57 language groups represented. Some wonderful communities are there, including the Filipino community. I belong to a group called the *Circulo Ilongo* which is a group of Filipinos who come from a certain part of the Philippines.

I have learned a great deal about Filipino values and about Filipino food and about Filipino love for one another and their values and the strength they are bringing to my community of Rosedale and to my neighbourhood that I never would have known anything about had I not had the privilege of associating myself with them as their elected representative. I am proud to say to the member for Winnipeg North who is here with us today as a representative of the Filipino community "Mabuhai", welcome and love from the members of the Filipino community. He represents a great contribution that the Filipino community is making to our society.

We have a Tamil community in my riding and there we have located the Tamil resources centre. This centre, located in Toronto, contains the largest collection of Tamil language literature outside of India in the world. In Toronto today we are publishing three books in Tamil. I could go on.

The question is does one see this as a threat, or does one see this evolution in our society as a challenge and an opportunity?

There are two very diverse opinions. I have listened to the speeches in this House on this subject. I listened to the member for Wild Rose who, it seemed to me, considered this as really a threat to Canadian development. I had an exchange the other day with the member for Calgary South who seemed to have the same attitude and who attacked the heritage languages program of the department of heritage.

I listened to the member for Saint–Denis who lives in a complex urban riding in Montreal and who cited the president of the Royal Bank who said that it is precisely this complex, rich cultural linguistic grouping that represents the strength of Canada as we go into the 21st century, that represents the pool of human capital that will enable us to participate in an ever enclosed and more integrated global village in which we live.

I much prefer the perception of the president of the Royal Bank and my colleague from Saint–Denis because it represents the reality of Canadian cultural experience. It represents Canadian values, those of tolerance and acceptance. It represents Canadian interests in terms of how we are going to deal with the future of the world and it represents the way the world is evolving.

One of the members across the way called out that it represents the Liberals. It does represent the Liberals. It represents Liberal values. I am proud to speak for these values and proud to speak for a party that represents those values and insists on them. I am proud to be a member of a party that recognizes the way the world is evolving.

• (1715)

Members opposite can laugh. Are they not watching the way the world is evolving? Do they not know what is happening around them? I have talked to their representatives on the trade committee. I have spoken to other members of the Reform Party. They know what is happening in globalization. Their members came with us when we travelled across the country with our international trade committee. We heard in Vancouver, Calgary and the Northwest Territories, where many Reform members come from, about the tremendous import and export opportunities that Canadians have.

We are living in an age of movement of goods, services and people across all jurisdictions and boundaries. As Canadians we have to be able to meet the demands of markets and complex areas of services. We must have knowledge of those markets. We have to be able to get into them. How do we get into those markets if we do not have the language skills and a knowledge of the culture of those markets in which we want to participate?

We have heard much about China in the House in the last while and for good reason. Many people estimate that by the year 2025 China will be the largest single economic factor in the world. As the former Prime Minister of Singapore, Mr. Lee Kuan Yew said about China: "It is not possible to pretend that this is just another big player. This is the biggest player in the history of man".

Napoleon said, when China comes on the scene: "Quand la Chine s'éveillera, le monde tremblera". This is true. Again, is this a danger or is it an opportunity for us? It is an opportunity for us. The third largest language group in Canada is Chinese. In Toronto alone there are 350,000 people of Chinese origin and in Vancouver there are more.

This month alone in Toronto we had four trade delegations from China led by senior representatives of the Government of China. All were spearheaded by relations that were established by people in our communities who speak the Chinese language, know the Chinese culture, are Canadian citizens and proud of it.

One of the proudest days of my life was a while ago when I talked to a colleague of mine, a person I consider to be a great friend who lives in downtown Toronto. He is Vietnamese. He told me the story of how he came to Canada 20 years ago as a Vietnamese refugee and how he barely survived. Today he has a prosperous business in downtown Toronto.

He told me of going to the Vietnamese embassy a while ago. He is Vietnamese of Chinese origin and so he speaks Chinese as well. He told me very proudly: "I went to the Vietnamese embassy, not cap in hand as a Vietnamese refugee but as a Canadian citizen who speaks Vietnamese and Chinese. I believe I can build a bridge between this society and the Asian society which is an important power of the future".

Those are the values to which this multiculturalism department addresses itself. The member opposite from the Bloc seems to consider this an invasion into the jurisdiction of Quebec. Quebec citizens do not consider it that. They consider it an opportunity to participate in an evolving, extraordinary world.

We are a bicultural, bilingual, bijuridical society that has become multicultural. By multiculturalism I do not mean dance groups and festivals. I mean the creation of a society where other traditions, values, languages and cultures are respected within the Canadian mosaic and in which those cultures may flourish alongside and strengthen our own.

As I said earlier in this speech, my riding of Rosedale has as many as 57 different language groups represented. All these groups have rich cultural experiences to offer Canada and through Canada to the world. In that sense Canada may be, as has been said by others, the world's first non–nation country.

We are not a nation in the tribal sense of 19th century nations but rather a country which in many ways reflects the global society of which we are a part. Many other older states are now evolving in this direction.

We in this party and in this government are anxious to create instruments of government which reflect this new national and global reality. This bill moves us toward that important goal. I am proud to be a part of it and proud to support it.

• (1720)

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, I rise today in the House to discuss Bill C–53, an act to establish the Department of Canadian Heritage.

As a new member of the Standing Committee on Canadian Heritage, I have been looking forward to this time when I can stand before my colleagues in the House and have the opportunity to hold the government and particularly this department accountable for its actions and decisions.

Bill C–53 is a prime example of what is wrong with the country. It lacks leadership and direction. This was a perfect opportunity for the government to show Canadians that it truly does care about the future of Canada, not just in the short term but in a future which our children's children can enjoy.

Bill C–53 was an opportunity for the government to take the lead and make some hard decisions regarding funding practices. We are, as everyone knows, in rough waters. Canada is currently barely treading water. Our debt and deficit are reaching astronomical levels. For that reason federal spending must be controlled and ultimately reduced.

We are spending $110 million more each and every day than we are currently collecting in revenues. To make matters even worse, we are continually funding programs and activities that must be seen as low national priorities when the debt is considered. These would include multiculturalism, official languages and amateur sports.

In fact, in a survey conducted in 1991 Canadians were asked whether they agreed or disagreed that the government should stop funding multiculturalism and make these projects self–financed by multicultural organizations themselves. Over two–thirds of all respondents agreed and in fact 45 per cent of them strongly agreed that multiculturalism should be funded by multicultural organizations rather than the federal government.

Another area of contention is official languages. The Reform Party would eliminate the unnecessary federal funding and the divisive official language policy and would instead implement a policy of territorial bilingualism, maintaining official languages in key institutions such as Parliament, the Supreme Court and in federal institutions where demand is sufficient to warrant cost effective minority language services.

A final illustration of the program which I will describe as low national priority in the Department of Canadian Heritage is amateur sports. However, I want to make it clear that this list of three, multiculturalism, bilingualism and amateur sports is by far not inclusive.

There are presently 88 sports organizations that are solely funded by the federal government. This amounts to approximately $45 million plus an additional $12 million through areas such as major games hosting, athletic assistance programs and applied sports research. The overall consensus by these same 88 sport organizations is that there are insufficient funds available and that the current funds are spread too thinly among a large number of sports.

The federal government cannot be all things to all sports and the issue of core sports must be addressed. The concept of core sports financing should be supported in the short term with the criteria for eligibility of the core program becoming more and more selective until such time that the federal government no longer funds amateur sports.

The Reform Party has a commitment to balance the federal budget in three years and therefore the time of priority spending must begin. Therefore, the elimination of amateur sports funding over a three–year period would enable them sufficient time to find funding in the private sector. We feel that more emphasis should be placed on community based involvement regarding funding through such areas as corporate sponsorships, membership fees and volunteers.

• (1725)

Canada has also created a bureaucratic, top–heavy sports bureaucracy. It ensures that the majority of funding which we as a government are allocating is not going where it was intended, to the athletes. It is for these reasons that the only role for the state in amateur sports is the provision of sports facilities which would be accessible to all Canadians.

Bill C–53 attempts to give Canadians the illusion that the government is streamlining its activities. We in the Reform Party live in the real world and see that the bill is not streamlined but rather an ocean of overlap and confusion.

To illustrate my point, between the departments of heritage and industry there are overlaps in such areas as the Broadcasting Act, the National Telecommunications Power and Procedures Act, Telesat Canada Act, Radio Communication Act, Canadian Radio and Telecommunications Commissions Act, and the Copyright Act.

It is incomprehensible to me that we need such an overlap and duplication in areas where for the most part government has no business becoming involved in the first place. The level of separation and degree of responsibility created through Bill C–46, an act to establish the Department of Industry, and Bill C–53, an act to establish Canadian heritage lack clarity.

On the one hand we have Canadian heritage which ultimately oversees overall regulations for the CRTC and the Department of Industry becoming more and more entangled in the overall direction of industries involved in the information highway and technological industries.

The questions that must be asked are: Why is the Department of Industry interfering in the natural progression and expansion of the private sector by over–regulation? Why is the department of heritage interfering with the natural progression and expansion of the private sector by over–regulation?

The answers to these questions are unclear. Perhaps it is because the government sees an opening where it can generate more revenues in the form of some sort of taxation, or perhaps it just enjoys over–regulating certain industries.

Both of these explanations are plausible. It is my obligation as a Reform member of Parliament not just to criticize but to be supportive where warranted and to always present an alternative.

I would like to tell my hon. colleagues that both over–regulation and overtaxation stifle business growth so stay out of the private sector as much as possible.

From my research and dealings with the information highway every expert I have talked to has told me the same thing, that the government is for the most part one or two years behind the private sector and their involvement only impedes the growth and productivity of firms involved. I reiterate we must stay out of the private sector.

Specifically, looking at Bill C–53 the government has in its ultimate wisdom left the cable industry in heritage while transferring the telecommunications industry to the industry committee. Have the Liberals read the CRTC telecommunications decision 94–19 which deregulates the telecommunications industry which, in short, opens competition to local telephone markets and means the cable companies will now be able to compete with phone companies for local home and business service. If comments coming from the chairman of the CRTC, Mr. Keith Spicer, are any indication there will be more deregulation in both cable and telecommunications industries.

Yet these two similar industries are now under two different ministers. I feel therefore I have to give the Liberals credit here as they are truly looking as if they know what they are doing, even though nobody on this side of the House, or the business sector, or the Canadian public knows what they are doing or why they are doing it.

What the Liberals have to understand is that less government will ultimately mean more freedom and more prosperity for all Canadians.

• (1730)

We as parliamentarians have an obligation not only to our constituents but to all Canadians. We must start to make the right decisions which will enable our country to lower our deficit.

It is for these reasons that I am opposed to Bill C–53. It does nothing to reduce government spending or waste, government mismanagement or incompetence, government overlap or duplication. It does not set an example for other ministries nor does it have the direction needed to lead this country.

* * *

[*Translation*]

## DEPARTMENT OF INDUSTRY ACT

The House resumed consideration of the motion that Bill C–46, an act to establish the Department of Industry and to amend and repeal certain other acts, be read the second time and referred to a committee; and of the amendment.

**The Deputy Chairman:** It being 5.30 p.m., pursuant to Standing Order 45(5)(*a*) the House will now proceed to the taking of the deferred division on the amendment at second reading of Bill C–46, an act to establish the Department of Industry and to amend and repeal certain other acts.

Call in the members.

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

(*Division No. 92*)

YEAS

Members

Bachand
Bergeron
Brien
Canuel
Crête
Daviault
Dubé
Dumas
Gagnon (Québec)
Guay
Jacob
Landry
Laurin
Lebel
Leroux (Richmond—Wolfe)
Loubier
Mercier
Nunez
Picard (Drummond)
Pomerleau
St-Laurent
Tremblay (Rosemont)

Bellehumeur
Bouchard
Bélisle
Caron
Dalphond-Guiral
Debien
Duceppe
Fillion
Gauthier (Roberval)
Guimond
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
Ménard
Paré
Plamondon
Rocheleau
Tremblay (Rimouski—Témiscouata)
Venne—44

NAYS

Members

Ablonczy
Alcock
Althouse
Assad
Augustine
Barnes
Bellemare
Berger
Bhaduria
Boudria
Bridgman
Brown (Oakville—Milton)
Calder
Cannis
Cauchon
Cohen
Collins
Crawford
de Jong
Dhaliwal
Discepola
Duncan
Easter
English
Finestone
Flis
Forseth
Fry
Gagliano
Gallaway
Gilmour
Gouk
Gray (Windsor West)
Guarnieri
Hanrahan
Harper (Simcoe Centre)
Hayes
Hickey
Hill (Prince George—Peace River)
Hopkins
Ianno
Jackson
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
Malhi
Marleau
Massé
McClelland (Edmonton Southwest)
McGuire
Meredith
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunziata

Adams
Allmand
Arseneault
Assadourian
Bakopanos
Beaumier
Benoit
Bertrand
Bonin
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Bélair
Campbell
Catterall
Clancy
Collenette
Copps
Culbert
DeVillers
Dingwall
Dromisky
Dupuy
Eggleton
Epp
Finlay
Fontana
Frazer
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Godfrey
Graham
Grubel
Hanger
Harb
Harris
Hermanson
Hill (Macleod)
Hoeppner
Hubbard
Irwin
Johnston
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
MacLaren (Etobicoke North)
Maloney
Martin (Esquimalt—Juan de Fuca)
Mayfield
McCormick
McTeague
Milliken
Mills (Red Deer)
Morrison
Nault
O'Brien
O'Reilly
Patry
Penson
Peters
Phinney
Pillitteri
Ramsay
Regan
Ringma
Rompkey
Scott (Fredericton—York—Sunbury)
Shepherd
Silye
Skoke
Speller
Steckle
Stinson
Szabo
Telegdi
Thalheimer
Ur
Vanclief
Volpe
Wells
White (North Vancouver)
Zed—163

Parrish
Payne
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Rideout
Robichaud
Schmidt
Serré
Sheridan
Simmons
Solberg
St. Denis
Stewart (Brant)
Strahl
Taylor
Terrana
Torsney
Valeri
Verran
Wappel
White (Fraser Valley West)
Williams

PAIRED MEMBERS

Nil/aucun

• (1800)

[*English*]

**The Deputy Speaker:** I declare the amendment lost.

**Mr. Boudria:** Mr. Speaker, I think you would find unanimous consent to proceed immediately with the vote on the main motion on second reading of Bill C-46.

**The Deputy Speaker:** Is it agreed?

**Some hon. members:** Agreed.

**The Deputy Speaker:** The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

**The Deputy Speaker:** 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. 93*)

YEAS

Members

Adams
Allmand
Assad
Augustine
Bakopanos
Beaumier
Berger
Bhaduria
Boudria
Bélair
Campbell
Catterall
Clancy
Collenette
Copps
Culbert
Dhaliwal
Discepola
Dupuy
Eggleton
Finestone
Flis
Fry
Gagliano
Gallaway
Godfrey
Gray (Windsor West)
Harb
Hopkins
Ianno
Jackson
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
MacDonald
Malhi
Marleau
McCormick
McTeague
Mills (Broadview—Greenwood)
Murray
Nunziata
O'Reilly
Patry
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Robichaud
Scott (Fredericton—York—Sunbury)
Shepherd
Skoke
St. Denis
Stewart (Brant)
Telegdi
Thalheimer
Ur
Vanclief
Volpe
Wells
Alcock
Arseneault
Assadourian
Baker
Barnes
Bellemare
Bertrand
Bonin
Brown (Oakville—Milton)
Calder
Cannis
Cauchon
Cohen
Collins
Crawford
DeVillers
Dingwall
Dromisky
Easter
English
Finlay
Fontana
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Graham
Guarnieri
Hickey
Hubbard
Irwin
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Maloney
Massé
McGuire
Milliken
Mitchell
Nault
O'Brien
Parrish
Payne
Peters
Phinney
Pillitteri
Reed
Rideout
Rompkey
Serré
Sheridan
Speller
Steckle
Szabo
Terrana
Torsney
Valeri
Verran
Wappel
Zed—122

NAYS

Members

Ablonczy
Bachand
Benoit
Bouchard
Bridgman
Brown (Calgary Southeast)
Canuel
Crête
Daviault
de Jong
Duceppe
Duncan
Fillion
Frazer
Gauthier (Roberval)
Gouk
Guay
Hanger
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Johnston
Landry
Laurin
Lebel
Leroux (Richmond—Wolfe)
Loubier
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Morrison
Nunez
Penson
Plamondon
Ramsay
Rocheleau
Silye
St-Laurent
Strahl
Tremblay (Rimouski—Témiscouata)
Venne
White (North Vancouver)
Althouse
Bellehumeur
Bergeron
Breitkreuz (Yorkton—Melville)
Brien
Bélisle
Caron
Dalphond-Guiral
Debien
Dubé
Dumas
Epp
Forseth
Gagnon (Québec)
Gilmour
Grubel
Guimond
Hanrahan
Harris
Hermanson
Hill (Prince George—Peace River)
Jacob
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
Mayfield
Mercier
Mills (Red Deer)
Ménard
Paré
Picard (Drummond)
Pomerleau
Ringma
Schmidt
Solberg
Stinson
Taylor
Tremblay (Rosemont)
White (Fraser Valley West)
Williams—86

PAIRED MEMBERS

Nil/aucun

• (1805 )

**The Deputy Speaker:** I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

## DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES ACT

The House resumed consideration of the motion that Bill C-52, an act to establish the Department of Public Works and Government Services, be read the second time and referred to a committee.

**The Deputy Speaker:** Pursuant to Standing Order 45(5)(*a*), the House will now proceed to the taking of a deferred division on the motion of Mr. Dingwall, second reading stage of Bill

C–52, an act to establish the Department of Public Works and Government Services and to amend and repeal certain acts.

**Mr. Boudria:** On a point of order, Mr. Speaker. I wonder if you would seek unanimous consent to apply the vote just taken on the main motion on Bill C–46 to the motion on Bill C–52.

**The Deputy Speaker:** Is it agreed?

**Some hon. members:** Agreed.

[*Editor's Note: See List Under Division No. 93*]

**The Deputy Speaker:** Accordingly, the bill stands referred to the Standing Committee on Government Operations.

It being 6.12 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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# PRIVATE MEMBERS' BUSINESS

[*English*]

## CRIMINAL CODE

The House resumed from October 19 consideration of the motion that Bill C–226, an act to amend the Criminal Code, be read the second time and referred to a committee.

**The Deputy Speaker:** The hon. parliamentary secretary had six minutes remaining when the House adjourned last time.

[*Translation*]

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.):** Mr. Speaker, I am pleased to continue my remarks regarding Bill C–226, an Act to amend the Criminal Code.

[*English*]

There is no doubt that the creation of section 745 was unique in the criminal law of this country. However, this section was included in the first reading of the original bill in 1976 and it was fully reviewed and discussed by the justice and legal affairs committee before it was finally debated and passed by Parliament.

Rather than the original proposal to have three judges to hear a case, Parliament amended the bill so that a jury would decide the case instead and this was done specifically to increase public participation in the process.

There was even a press release at the time which highlighted this provision in the proposed legislation. Clearly there was debate and communication in the public arena and efforts were made to make the resulting judicial review hearings as public as possible.



Let me review briefly how the provision works because there are many misconceptions about the process. An offender whose parole ineligibility period exceeds 15 years may apply for a judicial review hearing after at least 15 years have been served. Provided the criteria are met a superior court judge in the province in which the offender was convicted empanels a jury to hear the application.

In making a decision on the application the jury considers the character of the applicant, the applicant's conduct while serving his or her sentence, the nature of the offence for which the applicant was convicted and such other matters as the presiding judge deems to be relevant.

[*Translation*]

Some people who are against section 745 hearings suggest that the judicial review process is equivalent to automatic parole, but this is not so.

First of all, I would like to say that even though it is true that 36 applicants out of 47, or 77 per cent, have obtained favourable decisions to date, the fact is that juries are free to reduce or maintain the period of ineligibility for parole.

Several juries, particularly in Ontario and in Alberta, have not allowed some offenders to apply for parole. Moreover, a decision in favour of the applicant does not mean that he will automatically be granted parole.

As noted by the Supreme Court, section 745 simply allows the offender who obtains a favourable decision to submit an application to the National Parole Board. There is no guarantee that parole will be granted.

Therefore, based on information they are given, jury members, our fellow Canadians, choose to allow some offenders to apply for parole.

The jury does not have the mandate to determine the length of the sentence or the manner in which it must be served. An offender who has received a life sentence will serve his sentence for the rest of his life, whether or not his period of ineligibility for parole has been reduced.

Parole does not mean the end of the sentence, but rather the beginning of the "community phase" of the sentence. In short, a life sentence never ends, it stays in effect throughout the offender's life.

[*English*]

Another misconception is that all or even most offenders convicted of murder will apply for a judicial review hearing. This has not proven to be the case. At the moment 128 offenders are eligible to apply for a judicial review but only 71 have actually made an application.

• (1815)

One argument frequently put forward to discredit section 745 is that families of victims are left out of the process and their rights are ignored. I would emphasize that judicial review is a public process. Although judges have not admitted victim impact statements as evidence so far, this government has introduced legislation in the form of Bill C–41 which would permit the introduction of victim impact statements as a matter of course in these hearings. When passed, this amendment would give victims a greater role and achieve a better balance in the process.

In conclusion, I would urge my colleagues to contemplate seriously what the courts have said in relation to this provision. For example in Regina v. Vaillancourt, the court concluded that section 745 hearings strike a balance between the considerations of leniency for the well–behaved convict in the serving of his sentence and the community interests in repudiation and deterrence. The Supreme Court has affirmed that the purpose of a section 745 hearing is to call attention to changes in the applicant's situation which might justifiably impose a less harsh penalty.

While cynics such as the opposition Reform Party members may say that offenders cannot change, the Canadian Sentencing Commission noted that some offenders, and I quote: "genuinely repent or make changes in their lives which alter their risk to the public or alter the public's interest in seeing them so severely punished".

[*Translation*]

Obviously, the courts and the Canadian Sentencing Commission think it is both fair and justified to have a section that provides for a review of sentences, since human beings can change and rehabilitate.

The clearest message of all probably comes from jurors, who are ordinary citizens like you and me, Mr. Speaker. To this day, 36 juries have determined that the parole ineligibility period should be reduced for some applicants. Is this not clear evidence that this section is both fair and desirable?

[*English*]

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, it is an honour for me to rise in this House today and speak in favour of Bill C–226, an act to amend the Criminal Code. We are debating this evening the repeal of a section of the Criminal Code that has raised outrage from coast to coast across Canada.

Section 745 allows early release of convicted murderers. This section of the code sends a confusing message to Canadians. It sends a message that the federal government does not believe that murder is a very serious offence. It sends a message to judges that their sentences are not taken seriously any more. It sends a message to victims of violence that their pain is just not as important any more. It sends a message to criminals that their crimes will be tolerated. It sends a message to all Canadians that their streets and playgrounds will not be as safe.

Unfortunately a family in my riding has had personal experience with section 745 of the Criminal Code. I want to share with all members of the House the experience of Joanne Kaplinski whose brother was brutally murdered.

On January 29, 1978 her brother Ken Kaplinski was working as a night clerk at the Continental Inn in Barrie. He was a hard working law–abiding citizen working to support himself and his little boy John who was then only three years old.

The Continental Inn was robbed that evening of approximately $2,000. Joanne's brother was taken by car some two hours north of Barrie and was shot twice in the head at close range, execution style. His decomposed body was found in a snowbank some two months later. Subsequently two men, Edward Sales and Allan Kinsella, were each convicted of first degree murder and sentenced to life imprisonment with no parole for 25 years.

But on January 29, Ken's survivors received a life sentence of their own. They became members of a very exclusive club to which no one wants to belong. The initiation fee is the death of a loved one by violence. Membership dues are extracted from the members each anniversary of the death of their loved one, each birthday that cannot be celebrated, each Christmas their loved one cannot come home for, and each and every day as survivors of such violence.

• (1820)

The Kaplinski family endured two months of not knowing the whereabouts of Ken. They endured the police investigations, the public rumours, the media intrusions loaded with wild speculation and accusations. They endured the identification of his personal effects and the anxious wait for forensic identification of his body. They somehow survived the funeral and the clean–up of the remnants of their brother's life. They raised his young son. In sum, they have spent some 16 years coping with the aftermath of these two killers' actions.

They got on with their lives, or rather got on with picking up the pieces of their shattered lives. Never would they see the world through the same eyes again. Evil was no longer some abstract concept; it became real and tangible. Their profound despair came from being forced to look into the abyss of human cruelty and selfishness.

This past December they were once again forced to revisit that pain, to relive the nightmare of 1978. All their pain and horror was resurrected by the section 745 application of one of the murderers, Allan Kinsella. They thought that after the original trial the men responsible for taking Ken's life in such a cruel and brutal fashion were being made to pay for their actions by forfeiting at least 25 years of their lives under the conditions of incarceration. They simply could not believe that release after serving only 15 years was an option. For Kinsella to have early

parole seemed to them to make a mockery of the original sentence handed down by the trial judge.

The public perception of lack of truth in sentencing serves to further erode the public's confidence in the justice system. They feel duped by the delays and doublespeak of the bureaucrats. By making available section 745 the judicial system is sending out a very clear message to society that murder indeed will be tolerated. It conveys a very sad statement about the value of our lives, yours and mine, as Canadian citizens.

Fortunately for Canadian society and the Kaplinski family, justice was served in the Kinsella hearing. The jury rendered a decision to deny the application for a reduction in parole eligibility.

However, the story does not have a happy ending. The family will again be required to revisit their pain when the co–convicted advances his application. They may never cancel their membership in the victims club, a club where membership indeed has no privileges.

Joanne Kaplinski may not have had to endure a finding in favour of Allan Kinsella, but this is the exception and not the rule in most of these hearings. As of the end of March of this year, 43 reviews have been held under section 745 and only 11 of these convicts have been denied a reduction in sentence. In the majority of hearings, 31 in total, the criminal has received partial or full parole. This is totally unacceptable in the eyes of most Canadians.

Our criminal justice system is overloaded with cases and burdened with high costs. The Kinsella hearing cost taxpayers over $100,000 and there are 600 more convicts waiting in line for their turn at a potential cost of some $60 million. Why would we even consider revisiting the final conviction of the worst kinds of criminals when there are so many more important cases to try?

This country has a serious debt problem. There is no justification for spending our limited resources on such questionable reviews. Let us get the sentence right the first time, at the conclusion of the original trial and put the offender away for the full sentence with no exceptions.

Many of the proponents of section 745 like to talk about how good it is that victims of violence will be able to read an impact statement at the judicial review. They mention the fairness that this implies. In their view this balances victims' rights with those assigned to the convicted.

The truth is that currently there are no legal requirements for the crown to notify the victim's family so they may testify at these hearings. The judge may decide not to allow such statements. Even if such statements are allowed, what about the victims of the violence? What about the pain they must relive and the public scrutiny they must endure? Many victims may be fearful of the convicted and refuse to testify, and with good reason considering the recent case of Allan Kinsella and the testimony of Joanne Kaplinski.

• (1825)

Now, as many members of the House will be aware, one of Ken Kaplinski's murderers has escaped from a so–called medium security prison near Kingston. As a result the Kaplinski family lives in terror. Joanne Kaplinski is now under 24–hour police supervision because she had the courage to stand up as a victim at the section 745 trial of Allan Kinsella, a trial that should never have taken place.

Many of the supporters of section 745 have talked about the value of offering inmates faint hope. They believe convicts will be better behaved and work toward rehabilitation. We should not be providing incentives for prisoners to behave, this should be expected. Rehabilitation of prisoners is of secondary importance to deterrence and punishment. These arguments in favour of offering faint hope are just plain wrong.

We have an immediate example in the case of Allan Kinsella. This brutal murderer should never have been given the time of day let alone an expensive court hearing and the right to intrude on the lives of his victims once again.

There is no fairness in the system for the victims of violence. Sentencing should be certain and should be determined by the original judge in the original trial.

The justice minister stated in this House yesterday that an amendment would be made to section 745 so that the courts would have to hear from the families of the victims. What if these families are too frightened or pained to testify? What if this is interpreted by the courts as non–interest by the victims and a point in favour of early release? This amendment would offer no guarantees to a public concerned about its safety.

There are three principles that are fundamental to sentencing: deterrence, punishment and the protection of society. All of them may be violated by section 745 of the code. Deterrence is lessened by section 745 because a potential criminal knows his crime may not receive the otherwise full punishment available. Punishment may of course be violated because murderers who have been given a full sentence may get away with only serving three–fifths of it. Protection of society is lessened as more criminals are freed to commit more crimes and serve less time.

For the sake of Joanne Kaplinski, for the sake of her family and indeed for all victims of this most brutal violence, let us put a stop to this madness and remove section 745.

Clearly there is a problem with the criminal system in this country. The criminal system needs the justice put back in it. This was an election issue and I was elected on a very specific platform. The Reform Party introduced a comprehensive policy on criminal justice during the 1993 election. It states very clearly where we stand on section 745.

We support a criminal justice system that places the punishment of crime and the protection of law–abiding citizens above all other objectives. We also state very specifically that we support amendments to the criminal law which ensure greater certainty in sentencing.

I will close by asking all members to think of the Kaplinski family and indeed all other families who have lost loved ones to such senseless and vicious killers. Support Bill C–226 and remove section 745.

[*Translation*]

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, I am pleased to participate in the debate on Bill C–226, tabled by the hon. member for York South—Weston.

I have to admit that, when first asked if I wanted to discuss this issue, I almost decided to resort to demagogic comments such as: A criminal is the victim of his own action. All sorts of ideas like that are expressed and, unfortunately, too often by parties in this House, including the Reform Party, which I certainly respect. However, these comments sometime distort the reality.

I have met a few individuals who did truly regrettable things, including murder. Some of them never repented; they wilfully committed their crime. Even after a rather long time in jail, they had not learned anything. I think they would have been capable of committing the same crime again. Yes, there are such individuals.

• (1830)

We also have in mind the recent example of people who committed unfortunate acts. We know famous elected officials who ruined their careers by mere shoplifting, like the one who took a jacket from a department store.

That is why I have always said that the brain is the weakest organ in the human body. The brain sometimes betrays its owner.

Recently, in the Gaspé region, a father threw himself off a bridge with his three children. If this man had survived, I think he would have been the unhappiest of men. This unexplainable act is still a mystery.

When dealing with a mistake made without forethought and often unintentionally, our society must not act out of revenge in handing down sentences and guarding prisoners. It is not up to society to avenge victims.

Society benefits from the incarceration system, which removes dangerous offenders from its midst. However, it eventually realizes that these people are rehabilitated—as we often realize from the outset that rehabilitation is possible by reading pre–sentence reports, etc. As soon as offenders start serving their sentences, correctional officers have a pretty good idea if they will eventually be able to reintegrate society.

Jailing people also entails social costs, major repercussions on their immediate families, not to mention purely financial costs. Unfortunately, there have been reports lately that our prisons are overcrowded.

I believe that section 745 of the Criminal Code, which this bill seeks to strike down, has its purpose in the sense that, in certain cases, it provides for the re–evaluation, after the fact, of the state of mind of individuals who committed crimes and allows for an assessment of the advisability of their release. There is nothing mandatory in section 745. The jury hearing the application is not obliged to release the inmate. This review can only take place 15 years after sentencing. Then, people who know right from wrong and can weigh the pros and cons, may recommend that the individual be released.

I believe that in a society like ours, we must be able to afford acts of mercy of this kind since, as I mentioned before, sometimes people who committed crimes were not in their right minds at the time, a situation which can change after a while.

Therefore, in my opinion, it would be mean and would not benefit society. It could even be costly. When people are truly repentant, when they acknowledge their wrongdoings, take appropriate actions to solve their problems while in prison, and get positive results, keeping them in prison would be an act of revenge on the part of society.

A society which acts out of revenge is often ill–inspired and ill–advised. Revenge is a very poor adviser.

• (1835)

I know that there are heinous crimes. The Reform Party never fails to mention a few during Question Period. It is like an endless round of quotes from reporters on the police beat: "In Winnipeg, between 42nd and 32nd Avenue, at 2.25 a.m., So–and–so stabbed and killed Ms. Someone, as she left the hospital where she worked. She was wearing hushpuppies". And so on.

We hear this time and time again, and every time the Reform Party asks for stiffer or longer sentences. There is truth in what they say. Society must not leave crime unpunished and violence should not rule our society. I heard the hon. member for York South—Weston during the referendum debate. I was not a member then, I was not even in politics, but I heard him speak heinously of Quebec. That was at the time of the Charlottetown and Meech Lake agreements and the hon. member was probably driven by his well–known fiery spirit. I can understand that, but in Quebec we were hurt.

We do not bear a grudge against the hon. member who introduced this bill. We understand that this fiery spirit of his and boundless love for this beautiful country can lead to the fits of anger he is known for.

I read in the papers, yesterday, that the hon. member was himself the target of violence, and that he had to seek help and protection from the authorities, and I feel for him. I said to myself: a man of his intelligence must realize how violence feels—parliamentary violence, or verbal or political violence or whatever—we could even talk about ecological violence, for instance. Violence in any form, no matter who the perpetrator, is always bad, and I am sure the hon. member for York South—Weston realizes that now, which probably explains why, since last year, he has become extremely civil in his dealings with his colleagues in the Bloc.

I think the hon. member has seen the light. He is aware that society can and must exercise a measure of clemency at some point. If society does not believe in rehabilitation, why did we get rid of capital punishment?

I am somewhat baffled by all these considerations. The section they want to abolish was used by 40 people in the past 28 years. I have seen no statistics to show that these people became repeaters or abused their freedom.

For all these reasons, and considering the small number of cases that have come before the courts since this section came into effect, I am inclined to vote against this bill.

[*English*]

**Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.):** Mr. Speaker, I rise in this debate to strongly oppose Bill C–226. As has been mentioned the bill would remove the 15–year review with respect to parole eligibility for convicted murderers. I want to make clear that the provision we are talking about does not deal with the reduction of sentence. It deals with a change in the parole eligibility date, that is the date at which an individual offender can go before the parole board and request parole or release on to the street.

We are talking about a provision which can change the parole eligibility date between 15 years and 25 years. It is not a reduction of sentence, because the sentence for murder is a life sentence and a life sentence cannot be changed by any provision in the Criminal Code.

• (1840)

Prior to 1976 when capital punishment was on the books in a very limited way and the sentence for murder was life, the parole eligibility date was 10 years. When it was set at 10 years there were very few tragedies. As a matter of fact the average date of release on parole was not 10 years, although that was the eligibility date. It was more or less 15 years. The average date for people who were paroled was near 15 years. A good number of people who were eligible to go before the parole board at 10 years were never released; they spent their entire lives in prison under a life sentence.

The suggestion that parole eligibility dates mean automatic parole is nonsense, misleads the public and misleads the House.

With the abolition of capital punishment in 1976 once again the sentence for murder was fixed at life. The parole eligibility was set at 10 years for second degree murder and 25 years for first degree murder but with the provision that an offender could seek review of the parole eligibility date at 15 years. Once again I repeat the sentence remained a life sentence.

I hear people talking in this debate, in the press and so on about a 25–year sentence being reduced to 15 years. That is not the case. By the way, no one is automatically released at either 15 or at 25 years. Offenders are paroled by the parole board and not by the provision of section 745. They are subject to conditions of parole, must report to a parole officer and can be returned to prison to continue a life sentence if they commit not only a minor offence but if they break the conditions of parole. I will deal with that in a minute.

A person on parole is serving his sentence on the street, outside the institution, rather than serving it inside the institution. Under the section 745 process the offender must apply to the court in the province where the offence was committed for a review of his parole eligibility date. If the parole eligibility date was 25 years, the offender can ask the court to reduce it to at least 15 years. It can be set at any time between 15 and 25 years. The matter goes to a jury and the jury can only make a decision to reduce the eligibility date with a two–thirds majority; it is not a simple majority.

If the jury reduces the parole eligibility date by a two–thirds vote the person is not released as suggested by the Reform member who spokes a few minutes before me. When the date arrives, if it is 17 years, the individual offender must go to the parole board to prove that he is no longer a danger to the public and has been rehabilitated. If he cannot prove that he is not paroled. It is never automatic. It is not automatic with the section 745 process and it is not automatic before the parole board.

Furthermore the provision is not a loophole, nor was it ever hidden. It is a very specific provision written into law and set out very clearly. When members of Parliament voted on the measure in 1976 they knew exactly what it was and so did the press. It was not hidden. It was in the bill like any other measure. It can be read in the law right now. It is not a gap or a crack in the law. It was provided for intentionally. It was Liberal Party policy put forward by a Liberal government and supported by the majority in the Liberal Party and by the majority in the House. It is consistent with long time Liberal policy.

Why is it there? It was put there because we in the Liberal Party believe that a reasonable parole eligibility provision is an incentive to reform. It gives hope. It provides for correction. It provides for redemption. It provides for an opportunity to start over again. It is also a control mechanism. When there are reasonable parole provisions people who work in the penitentiary or the institution can expect that prisoners will attempt to behave well. There are carrots or sticks and parole is a type of carrot which is an incentive to good behaviour and to reform.

• (1845)

In addition, if the person is really reformed and no longer a danger to the public, that person after 15 years can be put back on the street to earn his or her living, to support his or her family and to pay taxes rather than being paid for by the state while in prison, while the family is being supported by welfare. I am talking about a person who is no longer a danger to the public, who is no longer a risk and who is deemed to be rehabilitated by the parole board.

This is a Liberal Party policy and always has been. I can understand members of the Liberal Party wanting to change it if it did not work, if there was some massive failure in the 745 provision, but that is not the case. Since 1976 when this provision was brought in, 128 people have been eligible to apply under section 745.

Only 71 people have applied. The others perhaps felt they would not be accepted and did not even bother applying. As of March 31, of the 71 that have applied, 43 cases have been heard by courts with judge and jury. Of those 43, 19 were granted full reduction from 25 years to 15, 13 were granted a partial reduction, which means somewhere between 25 and 15, and 11 were denied any reduction whatsoever.

My colleague from the Reform Party did not mention that those persons that were granted a reduction in parole eligibility date were not released from prison. They had to go to the parole board when the eligibility date came up to apply for parole. What happened to them? After a change in their parole eligibility date, 30 of those cases finally went to the parole board. Of those only 11 were granted full parole; 6 were granted day parole; 2 were granted temporary absence and 11 were denied any kind of parole.

Through this provision, of the 128 eligible since 1976, only 2 have been returned to prison. One was returned, not for committing an offence, but for breaking the conditions of parole while out on the street. This person was put back in to serve a life sentence because the conditions of parole were broken. The other was put back in for an armed robbery offence.

It means that out of 128 eligible people, one person was returned to prison for committing another offence. That is not a failure of the provision. Kinsella was mentioned in the examples that were given. Kinsella was turned down by the system.

I have heard reference to Clifford Olson as if he was going to be accepted for parole. Of course Clifford Olson will have the right to go to the court in 15 years and ask for parole eligibility to be reduced, but he will never get it. He would have to go before the parole board.

I ask my colleagues to look at the profiles of the cases of those who have been released and those who have been turned down. They would realize that it is a red herring to suggest that Clifford Olson would be released under this provision. Charles Manson in the United States has gone to the parole board in that country six times because he was eligible. He has been turned down every time. He is not reformed, he is not rehabilitated and he is still a danger to the public. It is not automatic. We are simply talking about parole eligibility date.

The Liberal Party definition of justice is not the Reform Party definition of an eye for an eye and a tooth for a tooth. It is not revenge. That is not our definition of justice. We believe the purpose of the criminal justice system is to protect the public, including the public who work in prisons: the teachers; the correctional officers; all the people that must work in prison. They deserve protection too. That is the purpose of the criminal justice system. We believe that one of the best ways of protecting the public is by rehabilitation through treatment, through correction.

Once people are rehabilitated and no longer a danger to the public it is ridiculous to keep them in prison forever, when they can be on the street doing good. One of the persons released under this provision won the medal for the best volunteer in Montreal a few years ago. That person came out of prison and established a reputation as an outstanding volunteer in the community.

My time is up, but I want to say that the bill being presented by my colleague is not a Liberal bill. It is more of a Reform Party policy rather than a Liberal policy and it should be defeated.

• (1850)

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, it is a pleasure to speak on Bill C–226 today.

This is the type of legislation for which Canadians from all parts of the country have been calling. This is the second hour of debate on the bill and much of what has been said related also to the death penalty. I am not going to be addressing that issue. It remains part of the background of everything that we say. I am not speaking in cliches.

Unfortunately I was not able to be in the House during the first hour of debate. However I did read *Hansard* to check what the other members of Parliament had to say about this bill. I was particularly outraged by what the Bloc Quebecois members said. I will quote from *Hansard* directly: "For a person who has received a life sentence the parole system is the light at the end of the tunnel. I do not think that the victims' relatives will suffer after 20 years. They certainly have suffered and everybody

deplores that fact. However, we do not have to always give in to the people who shout the loudest".

This statement is absolutely appalling. If the speaker had ever experienced the murder of a close friend or a relative I doubt that he would be speaking so casually. I do not think that the sentiments of that member represent mainstream Canadian values.

On February 24, 1976 the Solicitor General of Canada introduced Bill C–84. This bill defined two categories of murder: first and second degree. As well Bill C–84 abolished the death penalty.

According to section 231 of the Criminal Code, first degree murder is that which is planned and deliberate, the murder of police officers or prison guards acting in the course of their duties; or murder committed during hijacking, sexual assault or kidnapping.

When Bill C–84 was introduced Jim Fleming, then Parliamentary Secretary to the Minister of Communications, said that it was most important to give criminals a glimmer of hope. He said that some incentive has to be left when such a terrible penalty is imposed on the most serious of all criminals. Incentive for what? My observation is incentive to con the system.

Last week I received a fax from a citizen in Mississauga, Ontario who wrote of the horrendous story involving the murder of RCMP Constable Brian King in 1978. The writer is a nephew of Mr. King. I understand that the member for York South—Weston had previously mentioned this story in his speech, but I think it is too important not to mention it again.

Constable Brian King was an RCMP officer in Saskatchewan and was on that fateful night to be the trophy of two men who were full of hate, determined to stalk, capture and kill a cop. They wanted their friends to see how powerful they were. The two successfully distracted Brian, overpowered him, seized his service revolver, secured him with handcuffs, threatened him at gunpoint and eventually went on to murder him with two rounds into the skull. This was no crime of passion. This was cold, calculated, premeditated murder.

They were both sentenced to life imprisonment with no eligibility for parole for 25 years. When the two men were sentenced one commented: "What's 25 years?". Twenty–five years is not a deterrent.

Under section 745 these two same murderers were eligible for an early review. Constable King's family now has to suffer through months of reliving the memories and the grief as well as the fear that these convicted cop killers will be out, possibly to kill again.

The Bloc member who said that the families will get over it in 20 years has not read a letter like this nor has he spoken with any person who has gone through such a trauma. What kind of representation is that?

There is more to section 745 than just the simple direction of it. The entire parole system is in disrepute with Canadians. My office has received letters concerning the operation of the parole system. In almost every case the comments are that the parole board does not do what it is supposed to do. However, the mission statement of the National Parole Board paints a rather nice rosy picture. It states:

> The National Parole Board, as part of the criminal justice system, makes independent, quality conditional release and pardon decisions and clemency recommendations. The board, by facilitating the timely reintegration of offenders as law–abiding citizens, contributes to the protection of society.

On October 6 the new chairman of the parole board appeared before the Standing Committee on Justice and Legal Affairs. At that time I asked him whether he could give me a written job description of exactly what the chairman does. Unfortunately at the time he was not aware of any written documentation on this but stated that he would get back to me with some information.

I received a letter from Mr. Gibbs this past Monday but no full job description that could be used for performance evaluation was included. Instead this was what was written: "Further to my recent appearance before the Standing Committee on Justice and Legal Affairs on October 6 and your request to be provided with a copy of the chairman's job description, I wish to report that such a document has never been produced. I can assure you however that although no written mandate has been provided, my role is well defined in law and policy and my expectations very clear".

• (1855)

After reading this and understanding the climate of unaccountability that this represents, I know exactly why Canadians are upset that they are paying top level bureaucrats six figure salaries to state that they only know by word of mouth what their job entails. It is a matter of trust. It is a matter of public accountability.

Let me talk briefly about the success rate of our great parole system. From April 1978 to March 1988 there were 17,444 cases of offenders released. As of March 1993, 73.6 per cent successfully completed their terms of supervision.

Some might look at that and say that is an excellent result. I do not. The remaining 26.4 per cent were split between two categories: 2,494 cases violated their conditions of parole and 2,111 cases violated parole because of committing a new criminal offence. All in all, this is a rather poor success rate.

This past summer Allan Kinsella, a convicted murderer, asked the court for release after serving 15 years of his life sentence. His appeal for a section 745 hearing was denied. Because of that Kinsella got mad from this procedure and then with another inmate escaped last week. Police are still searching for these two men who are considered to be dangerous.

Let me recap these events. First, Kinsella commits a murder and is sentenced to life imprisonment without parole for 25 years. Second, at 15 years into Kinsella's sentence section 745 of the Criminal Code kicks in. Third, December 13, 1993 the section 745 review is denied. Fourth, in July Kinsella is transferred to the Bath institution in spite of the fact that the assistant attorney general for Ontario sent letters to the Solicitor General warning that Kinsella was dangerous and unsuitable for transfer and that there was a good chance he would attempt to escape. Fifth, on October 19 Kinsella and another inmate escaped and are now considered dangerous.

I should not be having to give this example because if section 745 had not even been put into place and had the Solicitor General of Canada been doing his job, Kinsella would now be locked up in Kingston Penitentiary, a maximum security prison for dangerous offenders, exactly what Kinsella is and always has been.

The Minister of Justice has stated in the House that the government's position is crystal clear. Let me quote from *Hansard*: "We introduced an amendment to section 745 to provide plainly that whenever an application is brought under this section that the court is obligated to hear from the families of the victims".

I say including the victim in a process may be good but it is not good if a murderer gets out on early parole. I would really question whether Liberal backbenchers across the way know what the minister is really saying. People are fighting for life to mean life and not to make a statement at a parole hearing that might have little effect on keeping a prisoner in prison.

My question to the justice minister yesterday certainly revealed that the government is completely out of sync with what Canadians want on this measure.

People are in prison for a reason. In the case of murder they took someone else's life and for that they should serve life. Section 745 brings disrepute to the operation of the justice system and its presence in the Criminal Code has implications beyond the technicalities of the section.

I call on the members of this House, the people have spoken and now it is time for the people's representatives to speak and vote for this bill regardless of what the justice minister says.

**Ms. Bonnie Brown (Oakville—Milton, Lib.):** Mr. Speaker, I am pleased to join in the debate on Bill C–226 which seeks to repeal section 745 of the Criminal Code.

In 1976 Parliament restructured the law of homicide. At that time Bill C–84 essentially brought into being the current regime for murder. It reclassified murder according to degrees, first and second degree murder, and provided a mandatory minimum life sentence. For first degree murder parole may not be considered for 25 years. For second degree murder that period is generally reduced to between 10 and 25 years as imposed by a judge.

Bill C–84 at that time also created the application for judicial review which has become section 745 of the Criminal Code. That section provides that a person who has been convicted of high treason, first degree murder or second degree murder with a parole eligibility date beyond 15 years to apply to the appropriate chief justice in the province where the conviction took place for a reduction in the offender's parole ineligibility period. The application may only be made after the offender has served at least 15 years.

• (1900)

Some hon. members and others would have people believe that this provision was hidden away in the bill and was sneaked through Parliament without parliamentary scrutiny. Nothing could be further from the truth.

The solicitor general of the day who sponsored the bill called attention to the proposal during second reading debate. During the deliberations of the House of Commons Standing Committee on Justice and Legal Affairs, to which the bill was referred, the provision was again closely examined.

Indeed during the committee hearings the provision was amended. The amendment was subsequently endorsed by the House of Commons and by the Senate. At second reading of Bill C–84, the solicitor general of the day explained that the proposal provided a built in additional incentive to motivate the inmate to rehabilitate himself or herself and provide a protection for prison guards.

Section 745 of the Criminal Code provides these same benefits today. The very fact of having section 745 in the Criminal Code can serve as an incentive for an inmate to attempt to change his or her ways. As many murderers are ultimately released on parole, it behoves us to do all we can to encourage these persons to rehabilitate themselves. The interests of public protection are better served having section 745 in place than by repealing it as the bill seeks to do.

We should also keep in mind the enormous economic and social costs of detaining inmates for prolonged periods of imprisonment. Moreover, to repeal this section would make the life of prison guards that much more difficult in managing murderers serving life sentences, people without hope within the walls of our penitentiaries. I am one of those Canadians who feels that prison guards perform an important and difficult task for the benefit of the rest of us and that they deserve our protection and our support. Accordingly section 745 should remain in the Criminal Code.

Originally Bill C–84 proposed that the offender would have the right to apply to a chief justice for judicial review. The chief justice would then appoint three judges to consider the application. An amendment was moved at committee to have the proposed three judges replaced by judge and jury, in which two–thirds of the jury must agree on the decision to retain or reduce the parole ineligibility period.

According to the procedure which still exists today the public's interest is expressed by the persons acting as a jury in these proceedings. The change was made to ensure that sufficient public input would be brought to bear in these hearings. The change was a good change because it ensures that the community's view of the matter will prevail over the system professionals. It was a change that made sense and it is not surprising that it received parliamentary support.

Even today the decision to retain or reduce the offender's parole ineligibility period at section 745 hearings rests with the jury. Jury members are drawn from the province in which the conviction took place. They represent that community.

In making its decision the jury shall consider the character of the applicant, the applicant's conduct while serving his or her sentence, the nature of the offence for which the applicant was convicted, and such other matters as the presiding judge deems relevant in the circumstances. The jury is thus not bound to agree to the applicant's request. It makes its decision in light of information brought forward at the hearing.

I believe these hearings can be very difficult for the families of victims. Part of the reason for this is that in the past victims' families have been frustrated by being denied any participation. In many cases they could not make representations or be heard at all.

The present Minister of Justice in Bill C–41, the sentencing bill introduced in the House last June, addresses the issue. That bill proposes to amend section 745 of the Criminal Code to ensure that if an offender applies for early parole eligibility, the court will be obliged to admit into evidence information from the victim's family. This evidence will be considered by the jury in deciding to retain or reduce the period of parole ineligibility. This proposed change would help victims' families. It does not force them to testify. It makes their evidence admissible.

• (1905)

It is worth noting that there are a number of other proposals in Bill C–41 which deal effectively with other concerns of victims. I would like to make one thing very clear. Because an offender is allowed to apply for early parole this in no way means that it will be granted. The jury has the absolute power to say no to an offender who applies for a reduced ineligibility period. A reduction or immediate termination of the offender's parole ineligibility period is not guaranteed. Further, if the jury decides to reduce or terminate this period, the offender's actual release on parole is not guaranteed.

Discussions of section 745 bring out a tide of emotions on all fronts. Victims' families and victim action groups must have a strong voice in our criminal justice system. Their experience and perspective offer very specific and valuable input. With the victim impact statement they are given the opportunity to have their voices heard. We need to establish a balanced approach toward every aspect of our criminal justice system, and I think section 745 provides that balance.

With this in mind it is important in this debate to say a few words about conditional release and to discuss the important role that the National Parole Board plays in the overall process. As well, ongoing initiatives by the government to strengthen the National Parole Board merit our attention.

The decision whether to grant parole to an offender is the responsibility and the decision of the National Parole Board. The granting of parole is not guaranteed to an offender who has been successful before the court in having his or her parole ineligibility period reduced or terminated at a section 745 hearing.

Understandably the National Parole Board has a difficult job to do but it is equipped to do it. National Parole Board members come from diverse background and from all regions of the country. They take their jobs seriously. Board members are assisted in their decision making by a set of criteria developed by the board to assess an offender's chances of obeying the law if released on parole. They are also assisted by information provided to them by Correctional Service Canada, the RCMP and other police services throughout the country.

I am thoroughly in support of the government's steps to strengthen the National Parole Board. The appointment process is currently under review to make certain that appointments to the board are on the basis of competence. As part of this process openings for full time board members will be advertised in the *Canada Gazette*. The qualifications of applicants will be carefully examined with board members chosen on the basis of merit, competence and integrity.

As hon. members will know, last June the Solicitor General tabled Bill C–45. Among other things the bill proposes that a mechanism be created to permit the discipline or removal from office of National Parole Board members in specified circumstances. This measure was introduced to increase accountability.

The board itself remains committed to ongoing training for board members. The training programs are geared to improving sensitivity in decision making and to increasing responsiveness to community needs. All new members, for example, undergo an intensive orientation program.

To conclude, I believe that section 745 hearings serve a useful purpose. Mechanisms are in place to ensure adequate public protection. The Minister of Justice has introduced Bill C–41—

**The Deputy Speaker:** Order, please. The member's time has expired unless there is unanimous consent. There are two or three minutes left in the debate. Does the member wish to seek unanimous consent to continue?

**Ms. Brown (Oakville—Milton):** Yes.

**The Deputy Speaker:** The hon. member is requesting unanimous consent to continue with her remarks. Is there unanimous consent?

**Some hon. members:** Agreed.

**Ms. Brown (Oakville—Milton):** Bill C–41 proposes to codify the right of victims' families to make their views known in these hearings. The Minister of Justice will also continue to monitor the operation of the section to determine if any other improvements need to be made. In addition, initiatives are under way to strengthen the composition and the workings of the National Parole Board.

• (1910)

As you can see from my remarks this evening, Mr. Speaker, there are several reasons for which I cannot support Bill C–226.

**The Deputy Speaker:** I wonder if the hon. member for Prince George—Bulkley Valley wishes to start his speech.

Since he wishes to take the floor next time we will call it 7.12 p.m. and the member will have the floor next time the matter is before the House.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93 the order is dropped to the bottom of the order of precedence on the Order Paper.

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## ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MANPOWER TRAINING

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, yesterday, I had the opportunity to ask a question with regard to manpower training and I could feel the minister does not really understand the situation in Quebec. Therefore, I would like to take this opportunity to give more information so that people understand the basis for the consensus existing in Quebec on the issue of claiming jurisdiction over manpower training.

You know there is, in Quebec, an agency called Forum sur l'emploi. It is a forum for stakeholders from every field of endeavour, such as social sciences, economics, or culture, and they all came to the same conclusion: "Quebec forms a specific region in the economic, cultural and social terms. It is a natural unit and, if we want to implement a dynamic employment policy, if we want Quebecers to make the best possible use of their human resources, we must have control over all the development programs related to manpower training".

This is all the easier because both the Canadian Constitution and the British North America Act state that education comes under provincial jurisdiction. Therefore, the issue of manpower training as we now call it, including the reform of social security programs and continued training, should also belong to Quebec. Quebec would then have all the necessary tools for its development.

We must remember it was only in the 1942 Constitution that unemployment insurance was turned over to the federal government. Before that, provinces also had jurisdiction in that area. So the Fathers of Confederation really meant for anything related to training and manpower, or just simply training, to be a provincial responsibility, in particular because of Quebec's French identity.

That is why I am asking the government why it does not agree to that totally logical request, which has met with unanimous approval in Quebec, and allow the province to have control over the development of its human resources, which are, and which will increasingly be, the source of all development.

By making the fullest use of our potential, we will build a society better suited to adapt quickly to all aspects of competition on the global market. There is always, in the background, the special situation of Quebec, the only place in America where you find a majority of francophones, which implies different practices, in particular regarding population mobility.

As regards mobility we cannot apply the same policies, objectives and national standards to Quebec as we do to the rest of Canada. That is why I am asking the government to explain its lack of understanding of the Quebec fact and to tell us why it does not accept our request, which is made not only by the Bloc Quebecois but by all stakeholders in Quebec.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I was very interested to hear what the hon. member for Kamouraska—Rivière-du-Loup had to say, and, of course, he conforms to the separatist rhetoric. I agree that the Constitution provides for the rights of the provinces in certain jurisdictions.

In this particular case, the federal government has made it very clear where the difference lies between the two jurisdictions in Canada.

[*English*]

One of the elements of the federal government's agenda is in fact the rebuilding of Canada's social security system. Creating jobs and growth requires the modernization of our social labour market and learning programs. One of the key principles of the reform that has been proposed is to provide greater clarity, as I indicated, in the roles of the federal and provincial governments.

[*Translation*]

The federal government has taken a major step towards a new partnership on labour market programs. The federal government's main objective is to improve services for Canadians, to make those services more effective and to eliminate any duplication and wasteful spending.

[*English*]

As a result, in June of this year the Minister of Human Resources Development invited interested provinces and territories to assume increased responsibilities in the labour market sector. The federal offer entails implementation of a three year interim labour market agreement with each province which could be put in place immediately. The federal–provincial discussions are currently under way across this country.

[*Translation*]

However, we are still waiting for a reply from the Government of Quebec. The federal offer includes:

[*English*]

Provincial planning of $480 million worth of federal labour market programs in Quebec, about 60 per cent of the federal labour market program budget; provincial management of federal purchase of institutional training, valued at $140 million in the case of Quebec; provincial planning and implementation of a network of single window offices that would put together under one roof the programs and services of both levels of government; and provincial management of certain other federal programs such as co–operative education, stay in school programs and Canada employment centres for students, valued at $12 million in Quebec.

With regard to the estimates of massive wastage, although the federal government has heard a number of such claims over recent years, there has never been any serious analysis to support these kinds of numbers. These huge claims have no basis in fact.

I invite the hon. member to consider the federal proposal and urge the Government of Quebec to support it.

[*Translation*]

**The Deputy Speaker:** It being 7.18 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.18 p.m.)

# HOUSE OF COMMONS

**Thursday, October 27, 1994**

The House met at 10 a.m.

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*Prayers*

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[*English*]

## PRIVILEGE

CRTC

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, last March I was approached at my constituency office by a constituent whom I had not met before and whom I have not met since, to write a letter drawing the attention of the CRTC to his application for a radio licence. I explained to this constituent that as minister responsible I could not interfere with the workings of the CRTC, but I agreed as his member of Parliament to do my best to ensure that he was treated fairly.

On March 15, I wrote to the chairman of the CRTC in my capacity as an MP for this constituent asking the commission to give the application a fair hearing. This was the letter of an MP seeking to ensure that a constituent received due process.

I wish to table the letter. The letter was not meant in any way to be an endorsement of the licence application, nor was it intended to exert pressure on the CRTC. I also understand that on March 30 the CRTC acknowledged my letter, categorizing it as a letter in support of the licence applicant. That acknowledgement letter was never brought to my attention. If it had been, I would have immediately rectified the matter.

As soon as I did learn that one of the interested parties wrote to me in September regarding my "alleged support" for the licence application, I took immediate corrective action. I wrote to the interested party, clarifying my earlier letter and clearing up any misunderstanding.

In this letter dated September 30, I wrote:

> My letter of March 15, 1994 to the CRTC simply asked that due consideration be given to the application. It is not intended to convey support for or opposition to the application. The CRTC is the body mandated by law to make independent decisions on all such applications. It is therefore for the CRTC to weigh the merits of the arguments raised by the applicants and the interveners.

I wish to table the letter. Members will note that I took these actions before the matter became public. I did my best to clear up and correct the situation not because of public or media pressure which did not exist at the time but because it was the right thing to do.

Being an MP and a minister is not always easy. Among other things it is a learning experience. In hindsight it was imprudent to send that original letter to the CRTC. I regret any misunderstanding it may have caused.

I assure the House that I have never for a moment had any hesitation or misunderstanding about my role or responsibilities as a minister. As I said in the House on October 3 in answer to a question from the member for Rimouski—Témiscouata, the minister of heritage cannot dictate to an independent body like the CRTC, which is also a regulating agency. It would be quite inappropriate for the Minister of Canadian Heritage to tell it what to do.

• (1005)

I have held to that position every moment on this job and the House has my commitment that I will continue to do so.

**The Speaker:** Of course the statement made to the House is a clarification. The hon. minister has not asked me to rule on a specific question of privilege at this time, and so the Chair would accept the statement as given. At least at this point there does not seem to be any reason for me to rule on a question of privilege.

* * *

## POINTS OF ORDER

STATEMENTS BY MINISTERS

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I wish to inform the House there has been a standing agreement between the government and the opposition parties that ministers' statements would be given to opposition parties for their critics' perusal sufficiently ahead of time so they could prepare to respond to ministers' statements.

The agreement was that if a minister's statement were made in the morning, that statement would be given to opposition parties

the night before. This has not happened in this instance. We have had less than one hour's notice. We protest greatly. We are concerned about the minister's mismanagement of this situation and we would ask him to defer the reading of the statement until we have had proper time to review the statement so we can effectively perform our role in opposition.

**The Acting Speaker (Mr. Kilger):** I will see if I can help the matter. I will come back to the hon. secretary of state if he should so choose. From consultation I understand this is an informal agreement between the parties. Certainly the Chair is prepared to recognize the minister, as is appropriate, to make a statement.

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, for the record, we have an agreement between parties that we will give enough advance notice with documents for ministerial statements. This has been respected in the past. I want to assure my colleague that it will continue to be respected.

Sometimes situations arise which we have to deal with immediately. This is the case, as was already explained to the hon. member previous to the opening of the House. We understand his concerns and we give the assurance that we will continue to respect the agreement we have.

This is an exceptional circumstance as the minister will explain to the House. There are some parts already public. We believe it is important to do this as soon as possible since it seems there was no agreement before the House opened that we could have done it during question period. We are proceeding. We will have the statement now.

• (1010)

[*Translation*]

**Mr. Gaston Leroux (Richmond—Wolfe, B.Q.):** Mr. Speaker, since the beginning of the 35th Parliament, it was understood by the party in power and the Official Opposition that the latter would receive prior notice of a minister's statement. We all know that our role in this House is to do our job as well as we can, in the best interest of the citizens of this country. Today, however, this understanding has been compromised by the fact that a ministerial statement will be made without prior notice to the opposition. We feel that this makes it difficult for us to play our role.

**The Acting Speaker (Mr. Kilger):** I have heard comments from both parties, but I will now proceed with Statements by Ministers.

I therefore recognize the Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency.

# ROUTINE PROCEEDINGS

[*English*]

## PARLIAMENT HILL

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.):** Mr. Speaker, at the outset let me say to my colleagues opposite that I apologize for any inconvenience which may have been caused to them as a result of the statement not getting there earlier as opposed to the late time they received it.

**Mr. Silye:** You knew about it for months and you cannot co–operate.

**Mr. Dingwall:** If the hon. member finds the subject matter so difficult to comprehend I will read very slowly so that he can understand each and every word. I am prepared to be fully co–operative with the opposition in every way. I was extending an apology for the inconvenience which we caused to the opposition.

However I believe the minister of state and the whip for our party informed the opposition of the miscue which took place. I felt compelled that we would come here this morning to share this information and have members of the opposition add their comments to the decisions which have been arrived at.

I want to take this opportunity to advise members of the House and Canadians whom we represent of the latest initiative related to the long range plan for the preservation and rehabilitation of our most important national symbol, the Parliament Buildings.

Over the last number of years funding for renovations to Parliament Hill has been severely restricted. The Auditor General in his 1992 report noted that the government has neglected to undertake most of the necessary repairs and renovations to the parliamentary precinct identified in the 1970s and the 1980s.

Parliament Hill requires urgent attention. The simple fact is that we can no longer afford to neglect it. Over the next 12 to 15 years, and I wish to underline this point, the buildings and grounds will require considerable attention. During that period we will in turn address the requirements of all buildings on the Hill to guarantee that in the future they remain safe for Canadians and healthy for the occupants.

[*Translation*]

We want to ensure that the buildings and grounds on Parliament Hill are energy–efficient, are relatively cheap to operate, meet environmental standards and are accessible for all Canadians. We must protect and preserve our national heritage.

[*English*]

The long range plan developed by the Department of Public Works and Government Services addresses in a logical sequence the need for that preservation. As recent visitors to Parliament Hill will have noticed, we are currently undertaking critical repairs to restore the Peace Tower and to stabilize the outside—

**Mr. Epp:** Mr. Speaker, I rise on a point of order. I would like to call for quorum.

**The Acting Speaker (Mr. Kilger):** I will ask the clerk to count the members present.

*And the count having been taken:*

**The Acting Speaker (Mr. Kilger):** I see a quorum. I will ask the hon. minister to continue.

• (1015)

**Mr. Dingwall:** Mr. Speaker, the long range plan developed by the Department of Public Works and Government Services addresses in a logical sequence the need for preservation.

As recent visitors to Parliament Hill will have noticed, we are currently undertaking repairs to restore the Peace Tower and to stabilize the outside masonry of the Centre Block.

[*Translation*]

We are also installing new water mains that will make it easier to fight fires on the Hill, and of course the government is taking the requisite steps to make the Parliament Buildings conform to the National Building Code.

[*English*]

The first scheduled major rehabilitation project on an occupied building is the West Block.

Following the next dissolution of Parliament we will close down the West Block for a few years and use the Justice Building as alternative office space. Complete repairs to the West Block require the removal of asbestos and we cannot put the health of MPs and staff at risk by keeping the building open during the repairs.

New mechanical and electrical systems must be installed. New fire detection, alarm and sprinkler systems must be in place. New waterproofing, windows, new energy saving devices are required. Sewage facilities must be upgraded. Walls, ceilings and roofs require attention. Elevators, doors and washrooms must be modernized to accommodate the disabled.

When the West Block is reopened, renovation of the Centre Block will begin early in the next century, with MPs and staff from the Centre Block moving to the West Block.

A long range plan is absolutely vital if we are to safeguard the Parliament Buildings. The cost over a 12 to 15 year period is approximately $265 million. Of course we cannot afford to spend all that money at once nor can we afford to shut down the essential operations of Parliament. That is why the plan is over a 12 to 15 year period.

Given the current climate, we are not talking about a Cadillac renovation here. I want to be very clear on this. Consistent with our Chevrolet approach we have prioritized and addressed only the most critical of the health and safety issues that affect the parliamentary precinct. If not, that figure would have been in excess of $450 million.

During the course of renovations we will be working with the House of Commons, the Library of Parliament and the Senate to ensure continued access to visitors to Parliament Hill.

All contracts will be awarded through the open bidding system. Since Parliament Hill is the focal point of Canadian democracy, only Canadian businesses and Canadian workers will be eligible to do the rehabilitation work.

This is not about fancy new furnishings or lavish new offices. It is strictly about protecting our history and guaranteeing the safety, health, environment and accessibility of the Parliament Buildings. Canadians expect the Parliament Buildings to be preserved. They are willing to pay for the renovations if they are done in a prudent, fiscally responsible and open manner, and that is what is being accomplished.

As the minister responsible for public works and government services, I would be happy to report to the standing committee on government operations on the progress that has been made, answer questions members or other individuals might have concerning those expenditures to assure all members that the expenditures are prudent, fiscally responsible and have been carried out in a very open fashion.

On a continuous basis all attempts to minimize to the fullest extent possible potential disruptions resulting from noise, dust or interruption of services are being made.

[*Translation*]

I sincerely want to thank all members on both sides of the House for their understanding and patience during these major renovations.

• (1020)

[*English*]

May I add my thanks to the Speaker and to all parties in the House of Commons for their advice. As members opposite will know and appreciate, the Board of Internal Economy, which is represented by three political parties, proved to be most helpful on this relocation project.

I am very pleased we have the consent of all the major parties to proceed with this vital initiative which protects the health and

safety of visitors and occupants of the parliamentary buildings, Canada's most important national heritage site.

Let me repeat what I said at the beginning. I apologize to my colleagues if these deliberations and the statement has caused them inconvenience, however they are fully aware that information was provided to government employees and not to members, so I thought it only appropriate that I come to the House at the soonest possible time to share this information with all members of Parliament.

As members opposite know, the subject matter has been discussed at the Board of Internal Economy where all parties have been represented and have had an opportunity to participate. I believe that goes back, if memory serves me correctly, to some time in May of last year.

In conclusion, I regret the inconvenience we may have caused colleagues opposite but I want to indicate to them that I believe this is in the best interest of Canada's national heritage site, the parliamentary precinct.

[*Translation*]

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, as my party's critic for parliamentary affairs, instead of responding to the substance of this ministerial statement, I must inform the minister that although there were discussions between the parties on the Board of Internal Economy, that is no excuse for not advising us of the content so that we can do our job.

I repeat that the basic objective of the Official Opposition in this system is to do a good job by monitoring the government and government operations and by defending the interests of our fellow citizens.

Since the beginning of this 35th Parliament, as far as parliamentary affairs are concerned, it was tacitly understood that the opposition would get the information a few hours before ministers made their statements. The purpose of this understanding was to help us do our job as well and as democratically as possible. In this particular case, we seem to be right in the parliamentary stone age.

The opposition's role is to monitor the government's administration. What disturbs us in this particular case, which concerns the Minister of Public Works and Government Services, is that we lack the detailed information we need to be able to respond, and I must say it is particularly difficult for members to obtain information from this department. This is a closed department, a department that distributes contracts and also a department where members find it extremely difficult to get information. For instance, when low-cost housing projects are officially opened in Quebec, the department, according to its own particular protocol, invites all the provincial members, mayors, and so forth, except the members of the Official Opposition. This is the kind of department and the kind of minister we find disturbing.

This morning, we cannot do our job because of the kind of behaviour that is typical of a department that is so secretive that it tables documents at the last minute.

That is why we cannot respond on the substance of this statement and, in the name of democracy, we regret that we cannot. And again, we may remind everyone, and especially the minister's colleagues, that this is the most difficult department from which to get information.

• (1025)

[*English*]

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I begin my speech as my hon. colleague from the Bloc has by once again chastising the minister and the department for the problem of timing.

We understood that the government had an agenda of more openness in government, more accountability. I remember hearing during the campaign: "We want to make Parliament work better" and yet at every turn we have what could almost be called obstructionism from the government. We are receiving inadequate notice of these statements and therefore cannot respond in substance. We cannot possibly hold a reasoned debate on the issue.

I believe that the work in committees is important. I was in a committee meeting where we were talking about the Lobbyists Registration Act and how to improve accessibility and accountability in government.

Ten minutes to the hour I received notice that the minister was going to make a statement. As the critic in that area I had to leave what at that time was very important work. I had no time to arrange for a substitute so no representative of our party is in the committee meeting which is going on as we speak.

Here I am talking about a statement which, admittedly, has very little substance so I do not need five days to look at it, but I really would have appreciated enough notice so that I could have organized my time today. I could have had substitutes in my committee so the real work of Parliament could proceed in a rational, orderly fashion.

I cannot help but applaud the initial statement because we want to keep these buildings up, we want to keep them in a safe condition, we want to be environmentally responsible. Those are all very good goals. However we need time to go through the cost estimates to see whether the taxpayers' money is being spent wisely. I do not know at this stage whether it is but we need some time to do that.

The minister has given some specifics. He indicated for example that we should repair some washrooms and remove the

asbestos in the ceilings. That is pretty good and I do not think we need to spend a lot of time debating that in the House of Commons.

I find it interesting that he made no mention of repairing the tunnel to the East Block. Perhaps he too is writing off the usefulness of the other place. I do not know.

When we talk of repairing and keeping the buildings up, an even more important point is that we ought to be looking at what is inside. The buildings are not nearly as important as the people and the individuals who work here, including the members of Parliament.

What we ought to be doing, because this type of thing should be passed very quickly, is getting on with the job. We need to look at the effectiveness of members of Parliament and whether we will ever in this place have free votes so that members can represent their constituents. That is one of the flaws that needs to be fixed in this place, that needs no public works but is very important and needs to be done.

I really believe that the minister needs to sharpen up a bit. How can I say that politely? This is the second time we have had 10 minutes or half an hour to react. Let us assure the people of Canada that we can run this place correctly and properly.

I would like to say one more thing about the process. This is the only thing to which I have had a chance to respond. I read this thing while walking over from my office, walking and reading, and the only thing I can say at this stage because of lack of time to analyse it in greater depth is with respect to the time.

• (1030)

I can hardly believe we need to shut down a building for three years while it is being repaired. That certainly is not the way things are done in private industry. If this were an office building and no rent was being collected we can be assured that whoever owned that building would arrange for contractors to do it. I do not think they would do it on the weekends but I assure the House they would do it much more rapidly.

The West Block has four floors. Surely crews could be assembled so that four crews per floor could work over the summer and the repairs would be finished when we came back in the fall. There is no reason that could not be done.

I cannot believe this is going to take three years. Maybe it is going to be a case of one dumb digger dug into the ditch, the other dumb digger dug out. Maybe that is what is going to happen. I really do not know.

There is an obvious lack of planning when it has been determined it will take that long. There is a considerable disruption to the operation of Parliament by having the displacement away from that building. We should be able to do much better than that.

I suppose that is all we can expect from the present government. We very much look forward to putting the Liberals into their correct place at the next election. Perhaps we will have the opportunity to do better.

* * *

[*Translation*]

## COMMITTEES OF THE HOUSE

### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 44th report of the Standing Committee on Procedure and House Affairs.

[*English*]

If the House gives its consent I propose that we dispense with reading the 44th report of the Standing Committee on Procedure and House Affairs which deals with changes in the membership on committees. If that is the case, I move that the 44th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

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## PETITIONS

### HUMAN RIGHTS

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I have two petitions to present today.

The first petition is from residents of Oliver and Osoyoos, British Columbia. They pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

### ASSISTED SUICIDE

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, the second petition I am presenting today has 204 signatures. These signatures are mainly from residents of Summerland, British Columbia.

The petitioners note that the Prime Minister has stated that a meaningful debate on the question of doctor assisted suicide will take place in the House. The petitioners oppose any legislation that would permit doctor assisted suicide because it demeans the value of human life.

Therefore the petitioners call on Parliament not to enact any legislation that would allow assisted suicide. I concur with my petitioners on both of these petitions.

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, pursuant to Standing Order 36 I would like to present two petitions today both dealing with the same subject.

Constituents from the city of Burnaby, British Columbia, pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide, or active or passive euthanasia.

• (1035)

HUMAN RIGHTS

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, I would like to present three petitions this morning.

In the first petition the petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

RIGHTS OF THE UNBORN

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** In the second petition the petitioners pray that Parliament will act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, in the third petition the petitioners pray that Parliament will do two things: first, ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously; and, second, make no changes in law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

**Mr. Ted White (North Vancouver, Ref.):** Mr. Speaker, pursuant to Standing Order 36 I would like to present a petition today on behalf of Jo Congdon and 52 others praying that Parliament not repeal or amend section 241 of the Criminal Code in any way and to uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide euthanasia.

* * *

## QUESTIONS ON THE ORDER PAPER

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, on behalf of the Parliamentary Secretary to the Leader of the Government in the House of Commons, I ask that all questions be allowed to stand.

**The Acting Speaker (Mr. Kilger):** Shall all questions be allowed to stand?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** 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 20 minutes.

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# GOVERNMENT ORDERS

[*Translation*]

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from October 26 consideration of the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read the second time and referred to a committee; and of the amendment.

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, I am pleased to participate in today's debate on Bill C–53 creating the Department of Canadian Heritage.

First of all, I think it is essential for all members of this House to be aware that this bill is a technicality.

Since our government has been in office, the Department of Canadian Heritage has vigorously pursued its mandate and played a key role in Canadian society. Its activities reflect a wide range of responsibilities in areas of cultural development, arts, broadcasting, national parks, historic sites, amateur sport and multiculturalism.

The department also administers official languages, state ceremonial and Native programs, which are all fundamental elements of the Canadian identity. In a world where international barriers are disappearing, where technology is altering borders, Canadian identity lies at the heart of our country's growth.

It goes without saying that the federal government needs an instrument such as the Department of Canadian Heritage to carry on its work to develop Canadian culture and promote Canadian identity.

I cannot describe in detail all the responsibilities entrusted to the Department of Canadian Heritage, but I will outline some of its activities that are essential to our society's development.

• (1040)

National parks and historic sites are concrete symbols of this country's wealth and an important part of the duties performed by the Department of Canadian Heritage which are designed to promote Canadian identity. Our natural heritage, our vast terri-

tory, our history and our place in the world play a crucial role in promoting our identity and the values we cherish as Canadians.

Furthermore, the official languages policy introduced by the federal government in the 1970s reflects a generous and creative vision. The Department of Canadian Heritage was assigned the responsibility of ensuring that French–and English–speaking Canadians feel at home wherever they choose to reside.

The principle of respect for both official languages of Canada, combined with respect for the traditions and contributions of aboriginal peoples, respect for our cultural diversity as well as fundamental respect for human rights make Canada a land of open–mindedness and opportunity that millions of people dream of around the world.

New Canadians and their language skills constitute a valuable asset for the Canadian society. Just think of the key role they play in our cultural exchanges and trade transactions with foreign countries. The heart of Canada is beating to the rhythm of our many cultures, and the impact of these new human resources will help us progress.

In the international arena, nations strive to find the way to bind together, with a deep feeling of national identity, populations made up of various ethnic, cultural, linguistic and racial groups. Several countries are currently looking seriously into the purely Canadian model we have come up with. The multicultural dimension of Canada is a rich social reality in our country, a reality that we must preserve.

Giving each Canadian the place he or she deserves in our society and the opportunity to contribute fully to building a stronger country can only benefit us all. In the enactment establishing the Department of Canadian Heritage, I note that the government undertakes to achieve equality for all Canadians in matters relating to the social, economic and cultural life of their country.

The Department of Canadian Heritage recognizes the need to remove barriers which divide Canada and build ties based on trust and respect. Bear in mind that the purpose of multiculturalism is to ensure social unity and strengthen national identity. Greater participation by all Canadians in community life can only serve to increase awareness of our cultural and natural wealth.

As for the policies and programs of the Canadian heritage department, their purpose is to promote a greater understanding of our diversity. Let us not forget that, for many communities, the economic and tourist activity generated by departmental operations is often vital. These are broad responsibilities that the Department of Canadian Heritage is fully capable of carrying out.

In closing, I wish to emphasize the need for Bill C–53 to be passed, to recognize formally the jurisdiction of the Department of Canadian Heritage and to allow the department to continue pursuing the mission it has been pursuing for a year and a half.

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, I am very pleased to speak this morning about the motion of my colleague, the member for Rimouski—Témiscouata, on an amendment to Bill C–53 that she tabled on October 4.

This amendment asks that Bill C–53 not be now read a second time, but that the order be discharged, the bill withdrawn and the subject matter referred to the Standing Committee on Canadian Heritage. Mr. Speaker, you will understand that today I would not want to give all the reasons for which I am for or against Bill C–53. I will do that later if necessary.

Nevertheless, I would like to make this House aware of the means it has adopted and which should not be overlooked by a minister who may wish to have his bill approved as quickly as possible.

• (1045)

The House of Commons must insist that bills presented to us on second reading have been considered, first of all, by the Standing Committee on Canadian Heritage. The House of Commons created this committee to fulfil its role; otherwise, what would be the use of it?

Among other things, it is supposed to get to the bottom of the issues by the most appropriate means—hearings, forming sub–committees, nationwide tours, consultations with the provinces—and especially by trying to obtain a national consensus, even within the committee.

After that, we will be able to talk about whether it is appropriate to pass a bill establishing the Department of Canadian Heritage. I believe that the standing committee will have a lot of work to do before it comes back to us with a bill that we are sure will be quite different.

Some people, especially some Quebec government departments, I would say, have some very specific things to tell the committee, so it is totally justified to submit Bill C–53 to it for consideration.

First, the committee can find out what this department's mandate is, and it can see that it makes no reference to Quebec as a distinct society, much less any reference to its cultural specificity.

Once again, the committee will realize that the former Liberal government denied the reality of Quebec culture by diluting it in a Canadian cultural entity based on bilingualism and multiculturalism. This department is being created in the wake of the defunct Charlottetown Accord, which proposed a fictitious and deceptive recognition of the provinces' exclusive jurisdiction over culture.

The committee will also be able to note that the straightforward demands of Quebec's former Minister of Culture, Ms. Frulla–Hébert, are not reflected in the future orientation of the new Department of Canadian Heritage. So you will understand

that we must think twice before presenting such legislation to the new sovereignist government of Quebec.

Without making a list of the areas, and I will come back to this a little later if need be, the committee will see that duplication and overlap in the field of culture will increase rather than decrease with this bill.

Taking Quebec as an example, we are faced with two systems of cultural institutions, each Quebec institution having its federal counterpart, except for the National Film Board.

In summary, Quebec has a budget of $425 million and Ottawa $2.8 billion.

Culture is under provincial jurisdiction and the Standing Committee on Canadian Heritage will realize that it must recommend that the House of Commons stop unnecessary spending at a time when social programs are under attack to reduce the deficit and stop allowing interference in provincial jurisdiction over culture.

The Bloc Quebecois will demonstrate to the Standing Committee on Canadian Heritage, through the hon. member for Rimouski—Témiscouata, that both the Conservatives and the Liberals developed their respective cultural policies by increasing federal interference in the cultural sector and by denying the distinct identity of Quebecers.

Through its representatives on that committee, the Bloc will present its views on cultural institutions. We do not intend to deny to Canadians the right to their own federal cultural institutions. However, the Bloc will make sure that Quebec's cultural community gets its fair share of subsidies from federal granting agencies and that the waste resulting from duplication is stopped.

The committee would be well–advised to read the report of the consulting group on Quebec's cultural policy, which was tabled in Quebec's National Assembly on June 14, 1991. That document was reviewed by a parliamentary committee over a period lasting almost eight weeks, in the fall of 1992, during which 181 Quebec organizations were heard and 264 written submissions were received. Following the work of that committee, Quebec developed a cultural policy and the Standing Committee on Canadian Heritage will have to examine that policy prior to a thorough review of the cultural issue. If the committee cannot find that policy, I will be pleased to send it a copy upon request.

• (1050)

By adopting its own cultural policy, the Quebec government demonstrated its keen desire to provide Quebecers with a cultural development framework which allows them to thrive. Again, the Standing Committee on Canadian Heritage will have to take that policy into account before making any recommendation to this House.

As I said at the beginning, and I will conclude on that note, I did not want to elaborate too much on Bill C–53 itself. I simply wanted to make this House aware of the need to pass the motion tabled by the hon. member for Rimouski—Témiscouata, and to refer the whole issue to the Standing Committee on Canadian Heritage which, I am convinced, will provide us with an amended bill taking into consideration all groups within the populatiobn as well as their legitimate aspirations.

* * *

[*English*]

## BUSINESS OF THE HOUSE

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** I rise on a point of order, Mr. Speaker. I think you would find unanimous consent in the House for the following motion:

> That notwithstanding any other order of this House that any vote on government bills or private members' bills to be taken on October 27 or October 28, 1994, be deferred until Tuesday, November 1, at the conclusion of Government Orders.

**The Acting Speaker (Mr. Kilger):** The House has heard the terms of the motion of the chief government whip. Is there unanimous consent?

**Some hon. members:** Agreed.

(Motion agreed to.)

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# GOVERNMENT ORDERS

[*Translation*]

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from October 26 consideration of the motion that Bill C–53 an act to establish the Department of Canadian Heritage to amend and repeal certain other acts, be read the second time and referred to a committee; and of the amendment.

**Mr. Martin Cauchon (Outremont, Lib.):** Mr. Speaker, I welcome this opportunity to speak this morning to Bill C–53, which I see as important and essential to Canadian society because of what it represents. All members who spoke to the bill in this House expressed the view that it was basically a housekeeping bill. In fact, the purpose of this legislation is simply to reassign departmental responsibilities.

We have heard criticism from the two opposition parties. Certain details, certain aspects of the bill were criticized, of course, but in addition, and this is what irks me, they took this opportunity to criticize the federal government's role in the cultural sphere. I think that if we are to have a constructive debate, my comments should deal mainly with the federal government's role in this area. According to the opposition parties, the federal government should withdraw from anything that resembles cultural affairs, should stop working with major agencies like Telefilm Canada and, listen to this, should get rid

of an agency as important as the Department of Canadian Heritage.

The opposition parties even claim, and this I found hard to take seriously, that the federal government will use these institutions against the province of Quebec and even against the French fact in Canada as a whole. It takes all kinds, but this takes the cake!

• (1055)

Such comments seem unwise, to say the least, considering the current political context in this country.

I want to make it clear that the federal government's role in cultural matters is a fundamental and entirely legitimate one, and I hope that this short speech will reassure opposition members.

Why is this role so important? The federal government's role is important because of the way Canada was built. We all know that Canada is a wonderful mosaic of various cultures, with two official languages. We also know that Canada as a country has opted for social values based on tolerance, mutual respect, multiculturalism and promotion of the Canadian identity. In this respect, the federal government's role as Canadian umbrella, a Canadian vehicle for promoting our identity as Canadians, is fundamental.

As parliamentarians we must take the broader view and keep this debate removed from what I call constitutional squabbles. Quebec and the rest of the country have already suffered enough as a result of this quarrelling which in most cases has been of no benefit to the people of this country and often puts an extra burden on Canadian taxpayers. We should recall the purpose of this bill and especially the Canadian government's role, and stop this constitutional nitpicking.

It is obvious that you have gathered from my remarks that I am wary of what the Official Opposition is affirming, but also of the Reform Party, which wants to go ahead with unweighed and often unjustified cuts that would go against some basic principles stated by the Prime Minister of Canada, principles he has stated and, indeed, states regularly, in this House. The federal government must respond to the budget situation, while remaining at the service of the population and, in this role, promote Canadian identity.

Of course, we must rise above constitutional disputes, but without losing sight of the objectives set by the government in terms of government administration. The government wants to make sure that we can stay away from any form of duplication. It also wants to make sure that we can streamline government operations and I might add that it is desirable that government administrations at all levels be streamlined.

Bill C–53, to establish the Department of Canadian Heritage, is part of this streamlining process respectful of authority, or should I say the powers inherent to the three levels of government, specifically the municipal, provincial and federal levels.

The department the Bloc Quebecois would like to see abolished is also the backbone of institutions such as national museums, the Canada Council—allow me to list a few more key organizations—Telefilm and the National Film Board and various programs encouraging interprovincial distribution, exportation of our cultural products and promotion of Canadian talent internationally.

In fact, I would add that the federal government is making use of the legislative or statutory instruments within its jurisdiction, such as copyright or income tax, to encourage or oversee artistic creation and cultural diffusion.

• (1100)

Of course, the provinces and municipalities, as I said, also have a role and since each government has an important role in these fields of jurisdiction, I should say that they have a key role, a complementary role, in fact, with respect to culture.

Far be it from me to challenge the authority of these levels of government. I would even go further by stating the obvious fact that Quebec's powers are special, since it is the centre of French culture in North America. But, of course, this does not prevent the Canadian government from assuming its own responsibilities of encouraging interprovincial trade, sharing a common heritage, structuring the markets for cultural products by using the tools that it alone has at its disposal.

I understand that the way the Bloc sees things, Quebec's goal is to keep anything federal off its territory; however, to say that the break–up of the country is necessary because the federal government's intervention harms Quebec culture is the kind of intellectually twisted argument that they usually give us, unfortunately, and give all Quebecers especially. I think that this attitude is meant to justify at any cost a case that they consider has been proven beyond question. They deliberately want to tarnish a record in which all Quebecers can take pride.

To conclude, I recently heard some Bloc critics and I was deeply offended as a Quebecer. Some Bloc critics say that they want to confine the whole province within a single definition, that of a nation. I must say that Quebec is not a definition. Quebec is made up of people who have pride, their customs and culture, a culture that they want to extend throughout Canada and internationally. There is also a French community that is alive and well outside of Quebec.

The federal government's role and the purpose of this bill are to make it possible—and I conclude—for this French community to flourish more and for the two official languages to live together better, all for the sake of promoting what we call a Canadian identity, of which I am proud.

[*English*]

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, it is my pleasure this morning to speak on Bill C–53 respecting multiculturalism.

I do challenge whether government should be involved in this program. It is very important for the government and ministers of the crown to realize the influence they hold over the people who provide government services on a daily basis.

It is also important for those in a position of power to understand that what they say and do will influence and give direction to the bureaucracy. It is important that all ministers of the crown appreciate what intervention is.

The policy of multiculturalism in Canada is a program that the Government of Canada has imposed and forced on Canadians. I believe that the philosophy of the multiculturalism program is very divisive. I am proud of the heritage of many of the people in this great country of ours. I do not think that any Canadians from the beginning have needed government to provide a program in order for them to share their cultural backgrounds with other Canadians. I feel it is a place where the federal government should not be involved. I take great exception to the federal government's using ethnic and cultural backgrounds as a basis for employing people within government services.

• (1105)

I am offended that our federal government departments are required to list employees by their gender, by whether they belong to aboriginal people, whether they are a visible minority or persons with disabilities.

I am offended when government officials are proudly announcing that they have either met or exceeded their quotas. I do not believe that government departments have any business in developing quotas.

How do they get the stats they are so proud of which they use so loosely? They are self–identification stats by individuals who are required to fill out a form identifying to what sub–groups they belong.

I feel that these kinds of policies are very divisive not only within Canadian society but certainly within our Canadian government services. The government is not satisfied with just creating hyphenated Canadians. It now wants Canadians to list their lineage.

I believe there is a real question of what is a visible minority. Is this a person of a mixed race? Do they have to look like a mixed race person to belong to a visible minority? Do they just need to have it in their lineage?

If we are basing employment on the appearance of people, I have great difficulty with those people who are judging whether those people belong to visible minorities.

What if there are two people with the same background but one appears to be of a visible minority group and the other one not so much? Does the one qualify for the job in government and the sibling not qualify?

For the government to start looking at a quota system in its employees is going down the wrong way. All we have to do is look at when quotas and the appearance of people were used in history, for it is not in circumstances that we can be proud of.

To establish lineage, ethnic background or what qualifies as a visible minority do we need to be one–half of a particular ethnic group? What about one–quarter, one–eighth or one–sixteenth? Where does it begin and where does it end?

This whole idea is ridiculous. I believe that classifying people by lineage is obscene. History would show us that it is obscene. I would like to question why any government would want to encourage and continue this practice.

A second point that I am concerned about is how the policy of multiculturalism is affecting our courts. There was a case in Vancouver in which the parent of a child was being questioned when the parent was trying to put the child up for adoption. The biological father happened to be of aboriginal origin, not full blooded and not half blooded, but a quarter.

Here was a judge in the courts having to determine what percentage of aboriginal background this child had and whether that child should be given to the father to be raised in the aboriginal community.

It turns out that the child was close to one–sixteenth aboriginal and the judge in making his decision felt that the child did not have enough native background in order to be placed in an aboriginal foster home or family.

Why should any judge be faced with this kind of decision? Why should it ever be important where that child originated? What should be important are the best interests of the growth of that child, the provisions that could be made to that child in its infancy and furthermore in its growing years, not whether it is a member of a visible minority.

The other issue that I find very offensive is this reverse discrimination that we see. I am going to use the RCMP as an example. The RCMP is being asked to impose this affirmative action, judging people's employment ability on their gender, on whether they are a visible minority or whether they belong to a group that is physically handicapped.

• (1110)

I would suggest that when we have a government department that in Alberta a few years ago decided it would not accept applications, we are not talking about giving them jobs. We are talking about accepting applications from white unilingual males. I take exception to that. It shows me that all Canadians are not being given equal opportunity. I do not think it solves the problem that the RCMP had with not hiring women and not hiring minority members 20 years ago. It does not solve that

problem by discriminating against young white males today. I do not think those individuals feel they are being treated as Canadians, and I would suggest that they are not.

It is very important for the government to seriously consider whether it has a legitimate right to be involved in this kind of multiculturalism program that does invade and does reach out into all aspects of Canadian society.

I would challenge the government that this program is very divisive and is creating a situation in the country that is very dangerous. I see growth in ethnic groups and youth groups vying for a position of power within our communities, pitting one racial group against the other.

I hear from new immigrants who say they came to Canada looking for and anticipating a new Canadian culture and when they get here they are being encouraged to keep the culture of the place from which they came. They are here with a sense of frustration, of not knowing where to turn. We as the Canadian government have a responsibility to new Canadians to bring together all those things that we share, all those programs and ideals that we are looking to have in this country that will make it a stronger unified country.

I do not think the federal government should be encouraging programs such as multiculturalism and bilingualism that divide Canadians, that bring them up against each other in vying for superiority and power. It is time that the government realized all Canadians deserve equal treatment from the federal government, should be considered equal members of Canadian society and stop this fallacy, this obscenity of creating divisions based on language and ethnic background.

I would encourage the House to reconsider supporting Bill C–53.

**Mr. George Proud (Hillsborough, Lib.):** Mr. Speaker, it is a pleasure for me to rise in the House today to participate in this debate on Bill C–53, an act to establish the Department of Canadian Heritage. My remarks today will be mainly involving Parks Canada's involvement and the role it will play in this act.

It has been said many times that we have inherited a rich legacy and every generation of Canadians has had an opportunity to make a contribution to it. That legacy is our heritage which we share with everyone in Canada wherever they live and whatever their background.

Our natural and wilderness heritage and our sense of history and place are vital elements of this heritage we all share. They are central to who we are and what we value as Canadians.

The new Department of Canadian Heritage reflects the many dimensions of the Canadian experience, an experience that is always evolving. Protecting areas of natural and historic significance to the nation for the benefit and enjoyment of all Canadians is the responsibility of the Department of Canadian Heritage.

In the past a big part of that job has been done and will continue to be done by Parks Canada, a key component of the new department. The creation of the Department of Canadian Heritage will not in any way undermine the importance we place on issues associated with the protection and preservation of our natural heritage, both natural and cultural.

• (1115)

The Department of Canadian Heritage supports Parks Canada's mandate in this area. All parts of the department are working hard to make sure that Canada's heritage and environment are valued today and passed on to tomorrow.

Parks Canada's traditions, now departmental traditions, go back more than a century to the establishment at Banff in 1885 of Canada's first national park. Of course our system of national historic sites started with Fort Anne in Nova Scotia more than 75 years ago.

From Ellesmere Island national park within the Arctic circle in the north to Point Pelee national park at the southern tip of Canada and from the lighthouse at Cape Spear national historic site at the country's eastern edge on the Atlantic to the Pacific rim national park on the west coast, our national parks and national historic sites dot the length and the breadth of Canada. They are Canada's pride, the crown jewels of our heritage.

Canadians have a strong attachment to and affection for the land and the landscape of the country whether found in small towns, in rural areas, in the wilderness or in the historic districts of the large cities.

Landscape is a vital component of our heritage and it forms part of the rhythm of our lives. Our historic landmarks are a vital part of the landscape, a significant and irreplaceable part of Canada's physical environment. Canada's national historic sites, heritage railway stations and federal heritage buildings are located in every province and territory.

Mr. Speaker, as I speak to you today there is construction under way in my riding of Hillsborough, Prince Edward Island, on the building of a memorial park to commemorate the place where the Fathers of Confederation first stepped ashore and began their journey up Great George Street to the steps of Province House in Charlottetown. What occurred over the next few days in Province House was indeed the beginning of the formation of our country as we know it today. From that point on Charlottetown was to become known as the birthplace of Confederation.

These historical sites are a tangible symbol of our national unity and heritage and are of great importance to the constituents in my riding as well as to the many people who come to visit them.

One or more national historic sites are located in over 400 communities across the land, meaning that these communities are direct stakeholders in the national heritage, sharing that heritage with their fellow Canadians and with visitors to our country.

Our country's national parks, national marine conservation areas and heritage rivers add to this shared legacy of outstanding special places held in trust for all Canadians.

As symbols of our national heritage all of these special places speak directly to Canadian identity. They are living laboratories, places where the public can truly experience Canada's past or its wilderness.

Historic sites cover a vast span of human history measured in thousands of years and document the populating of the land, economic and social development, nation building, Canadian achievements in arts, culture, human rights, wilderness preservation and the sciences, as well as a vast number of other human endeavours and activities. As both the product and the witness of the works of our predecessors, they are fundamental to a broadly defined and diverse yet encompassing sense of Canadian identity.

These heritage places provide an excellent opportunity to make all Canadians more aware of their history and to make landed immigrants and new Canadians aware of their Canadian heritage, aware of the places, events, activities and people that have made us what we are. In this respect these places can play a vital role promoting citizenship value.

Because these historic sites are nationally significant they serve as links between the community and the nation and between the subject of commemoration and our national history.

Each national historic site can be said to illustrate an important chapter in a national saga that is constantly unfolding not only into the future but perhaps surprisingly into the past. A number of national historic sites document the fact that our human history is many thousands of years older than we once thought.

National historic sites represent one of the most important and valuable examples of a vital Canadian tradition, the partnership between individuals, corporations and governments in the history of our country.

• (1120)

Fewer than one–fifth of Canada's national historic sites are owned by the federal government. The investment, the involvement and the co–operation of others in the preservation of places that have been designated nationally significant by the federal government is a remarkable and regrettably often little recognized national partnership of achievement.

Federal heritage buildings and heritage railway stations recall an era when federal buildings and railway stations were often the most important and imposing landmarks in communities large and small across the country, serving as symbols of national integration and confidence in the future.

No less significant than national historic sites, federal heritage buildings and heritage railway stations is the program that formally recognizes persons and events that have played an important part in our history. The program fosters knowledge and appreciation of the achievements of Canadians, such as the boxer Sam Langford, the poet Pauline Johnson, the scientist and educator Frère Marie–Victorin, piano manufacturer Theodore Heintzman, and reformer Nellie McClung.

Events or themes that have been officially recognized have included the inauguration of the transcontinental railway service and the assertion of Canadian sovereignty in the Arctic.

I know that my time is running out. I could continue on for many more minutes here but I know, Mr. Speaker, that you are looking at your watch.

The Department of Canadian Heritage will be much more than the sum of its parts. Canada is a country of great geographical and cultural diversity, yet as Canadians we share so much.

Our objective is to foster pride in our achievements as people and as a country. Canada's heritage is evolving. Each generation is making its own contribution to the development of our shared heritage.

Working together in the new department in partnership with Canadians we will achieve more than we ever could do on our own. I invite all members of the House to support the bill to create the Department of Canadian Heritage.

[*Translation*]

**Mr. Michel Daviault (Ahuntsic, BQ):** Mr. Speaker, I am pleased to speak to the proposed amendment to Bill C–53, an Act to establish the Department of Canadian Heritage. This amendment calls for the bill to be withdrawn and the subject–matter thereof referred to the Standing Committee on Canadian Heritage.

I would like to say at the outset that the fears the hon. member for Outremont wants to dispel have been reaffirmed by this bill. There is no place for Quebec or for the distinct society. It is always surprising, not to say sad, to see the illusions of timid nationalists reaffirmed after fighting in vain for 30 years.

When we look closely at the sectors, the functions and the people targeted by this new department, we quickly realize that this is a "grab bag" department, a hodge–podge of programs which clearly show either the Canadian government's inconsis-

tency or its less than transparent strategy in dividing up responsibilities, in bringing together parts of the following federal departments: Environment Canada; Multiculturalism and Citizenship; the part of Health and Welfare responsible for amateur sport; part of the Canadian Secretary of State, namely official languages, Canadian studies, Native programs and state protocol; the part of Environment Canada responsible for Parks Canada and historic sites; the part of the Department of Communications responsible for the arts, heritage, culture and broadcasting.

Later, they will add the Registrar General of Canada from the Department of Consumer and Corporate Affairs. The new Department of Canadian Heritage, whose creation was undertaken by the Conservative government, brings together for the first time all of Ottawa's cultural policy instruments, namely the Canada Council, the CBC, the National Film Board, Telefilm Canada, national parks and museums, National Archives, etc.

This department will have a budget in the order of $2.8 billion, compared with a $425 million budget for Quebec's Ministry of Culture. In addition, several responsibilities assigned to the Department of Canadian Heritage must be fulfilled in co–operation with other departments, thus reducing the heritage minister's actual power and political say in administering his own department. After this morning's statement by the minister, we can conclude that even his moral power is affected.

Moreover, responsibility for telecommunications policy and programs was transferred from the Department of Communications to the new Department of Industry. All this with little or no staff or spending reduction in sight. So what is the real purpose of this reorganization? The real powers granted to the Minister of Heritage are like jam: the less you have, the more you spread it around. In this case, the new department's responsibilities are well spread out.

• (1125)

The culture portfolio has undergone two major reorganizations since June 1993; things are getting more and more complicated, the number of players keeps increasing, and jurisdictional overlap is getting worse. The government must have followed an increasingly popular rule: Why simplify when you can make things more complicated and a little more expensive? A highly centralizing Canadian Heritage.

To say the least, the Canadian government has obviously decided to make this Department of Canadian Heritage the main instrument to promote Canadian values and it will also encourage the whole country to fully participate in that exercise.

But what about the distinct character of Quebec's culture and what about the sectors which are under exclusive provincial jurisdiction according to the Constitution of 1867? The bill is totally silent on that. The government is deliberately trying to hide that reality. The old centralizing reflex of the federal government is still just as strong. The government persists in trying to fool Canadians and Quebecers. Obviously, this new department tries to bury the specific character of Quebec's culture by progressively diluting it in a hypothetical Canadian culture which is, would you believe, unique and multicultural.

Make no mistake about it: The mandate of the Department of Canadian Heritage is twofold. Indeed, it must create from scratch an artificial Canadian identity based on Canada's multi–ethnic mosaic and, consequently, that identity must be multicultural. However, that identity and that feeling of belonging based on bilingualism and multiculturalism sounds hollow to Quebecers.

That double mandate goes totally against Quebec's fundamental interests, since it rejects the distinct and specific character of Quebec's culture. The hon. member for Outremont talked about complementarity, but he should have used the word overlapping.

Such is the new federal cultural policy: A policy aimed at levelling out everything with a steamroller!

On June 21, the hon. member for Rimouski—Témiscouata said in this House, and I quote: "The concept of Canadian identity does not include the Quebec identity. In fact, its purpose is to assimilate or even deny it".

The new Canadian multicultural identity which the government is trying to impose is in fact a ploy to acculturate Quebecers. Even worse is the fact that it will not slow down the growing assimilation of French speaking people who live outside Quebec.

In the promotion of this glorious Canadian multicultural mosaic, the government is rather quick to forget the concept of two founding nations. The Liberals, both as party and government, recognize the first nations but do not recognize the Quebec nation. As I said: If there is an Acadian community, there is also a Quebec nation. In June, the current Prime Minister stated, regarding the operations of CBC, that there is an act regulating these operations and that he would ask the corporation to comply with it.

Among the requirements contained in this legislation, there is an obligation to inform people of the benefits related to our country. However, Canada is not the only one financing CBC. Quebec also pays its fair share, but has hardly any say in the administrative decisions of that federal institution.

Let us not forget that, in recent years, numerous regional TV stations in Quebec, including Rimouski, Matane and Sept–Îles, had to shut down their operations. In addition to being underprivileged in terms of resource allocation, Quebec is about to absorb more than its fair share of budget restrictions. For example, *Prime Time News*, the 9 p.m. TV newscast on the CBC, has an annual budget of $15 million, or $60,000 per show. By comparison, the SRC budget for *Le Téléjournal* and *Le Point* in Quebec barely exceeds $8 million.

In a brief submitted yesterday to the Standing Committee on Canadian Heritage, Mrs. France Dauphin, from the Coalition for the Defense of the French CBC network, the raised a number of issues. For example, investment in programs per hour of broadcast time has increased by approximately $7,000 as far as the English network is concerned, but only marginally in the case of the French network. In just five years, from 1987 to 1992, investment rose from $30,500 to $37,500 at the CBC while rising from $17,500 to $18,300 at SRC. In other words, a mere five per cent increase for the French network, as compared to a 20 per cent increase for the English network. What does this mean? It will become obvious later.

• (1130)

The Canadian Broadcasting Corporation has made strategic choices that favoured the English network programming over that of the French network. These choices were made in spite of the objective the CRTC had set for the CBC in February 1987, i.e. to strike a fair and equitable balance between production, distribution and the scheduling of regional and network programs, on both networks.

In addition, over $380 million were recently invested in building new headquarters in Toronto. Jean–François Lisée wrote in *Le Tricheur* that we can see how, in spite of Trudeau's efforts to attach a Canadian identity to Quebecers, the inclination to go the opposite way is strong and resists the hazards of election policy. In 1990, 59 per cent of the people of Quebec perceived themselves as Quebecers first, 28 per cent as French Canadians and nine per cent as Canadians.

In fact, it is normal for Canada to describe itself more and more as an English–speaking multicultural entity in an attempt to differentiate itself from its American neighbour.

At the same time, it is not considered either normal or legitimate by this centralizing administration for Quebec—a clearly defined nation, the cultural vitality of which is recognized around the world, a truly distinct nation on the basis of its specific culture and its language among other things—to promote its own culture and specificity. It does not require a constitutional amendment to do so.

Finally, the multicultural Canadian identity. The issue of multiculturalism, which is to say the least debatable, must not be overlooked.

Professor Claude Corbo, dean of the Université du Québec in Montreal, concludes it is a failure. According to Corbo, the solicitude shown by the federal government for ethnic communities is suspicious. He says that such a policy could well exacerbate the minorization or the trivialization of the Quebec identity.

The fact of the matter is that, in Quebec, the principle of ethnic diversity must center around the French dimension of our culture which is present in all of our institutions and serves as a basis for Quebec's specificity. Above all however, structures are required to facilitate the integration of immigrants into their host society.

So, I intend to support the amendment put forth by my hon. colleague from Rimouski–Témiscouata, asking for the bill to be withdrawn and deferred to the Standing Committee on Canadian Heritage.

[*English*]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, it is a privilege to address the House in relation to Bill C–53 and the amendment put forward by my colleague from the Bloc. I am supporting the amendment but for very different reasons from those put forward by the Bloc Quebecois.

Apparently the operative word in the whole bill is reorganization, but in light of recent events perhaps the operative word we should be discussing this morning is resignation.

It appears the minister in charge of the Department of Canadian Heritage tabled a letter this morning which indicates he had approached the CRTC concerning specific licensing of a special language radio program. The fact that the document was stamped with the word "intervention" causes great concern. The fact that the letter was written on the minister's letterhead also causes great concern.

I join with the many Canadians who last night and this morning called for the minister's resignation. It is unfortunate to see this type of intervention in a quasi–judicial branch under the minister's control. I hope he will reconsider his decision to stay on as minister and will do the honourable thing and step aside.

As has been stated by my colleague for Calgary—Southeast, the bill should be renamed the special interest funding bill because that will be the effect of the legislation. Bill C–53 will create a ministry comprised of all the odds and ends of the government intervention in Canadian culture under a minister whose sole responsibility is to dole out handfuls of cash to whichever groups the Liberal government has decided to favour.

• (1135)

The scope of this ministry would be large and sprawling with at least 24 areas of responsibility that include—now hang on to your hats: the Canada Council; the CBC; Telefilm Canada; the Museum of Civilization across the river; the Museum of Nature; and the CRTC which I have spoken about. Also included are: the National Archives; the National Arts Centre; the National Battlefields Commission; the National Film Board; the National Gallery; the National Library; the Museum of Science and Technology; the Public Service Commission; the Advisory Council on the Status of Women, as well as Status of Women Canada; amateur sports and official games; official languages; Parks Canada; Historic Sites and Monuments; Canadian Race

Relations Foundation; Canadian Heritage Languages Institute; multiculturalism; and copyright.

This is an unruly collection of agencies which has been lumped together arbitrarily. It truly is the ministry of lost souls, a ministry put together consisting of many irrelevant and outdated agencies with nowhere else to go. That being said, there are some valid reasons for the government to have a role in a select few of those areas outlined. However in the majority of cases those functions could be performed more effectively in either the private sector or by individual Canadians and private organizations.

All this government intervention costs Canadian taxpayers over $4.4 billion. We have put forward constructive suggestions that would save over $1.6 billion in program spending alone. Once the spinoff reductions in the bureaucracy and overhead are factored in the savings could go much higher.

I want to focus the remainder of my remarks today on the multicultural funding programs within the department. My colleague from Port Moody—Coquitlam asked the government for a list of multicultural grants given in 1993. What she received was astounding. It was a 703–page document listing over 1,300 separate grants totalling over $25 million. Most of these grants are questionable. I will mention one or two which I think my constituents in Kindersley—Lloydminster would be very concerned to discover that their hard earned tax dollars have gone to pay for.

One grant was to the Toronto Arts Council. It received $25,000 for phase two of a national forum on cultural equity in Toronto as well as the training of a pool of cultural equity consultants. What in the world does cultural equity have to do with reality? What does it have to do with the real world? Also, the Folk Arts Council of St. Catharines Multicultural Centre received $28,000 for a community needs assessment. The council was to carry out a community needs assessment and prepare a strategic plan.

It really makes one wonder what the priorities of this government are when it would support initiatives like those when the health care system is starved for funds. We are closing hospitals in Saskatchewan in part because the federal share of health care funding is being so drastically reduced.

A few months ago I received notice of an application for one of these grants from within my own province of Saskatchewan. I was sent a letter from the Ukrainian Canadian Congress, Saskatchewan Provincial Council asking for a grant of $45,000. The money was to help perform a needs assessment study intended to determine the following four things.

First is that access to information about government departments, agencies and services is available to Ukrainian seniors. Second is the development of outreach programs to address specific health care and sociocultural needs, interesting. The third one is a real winner. Can we believe this? It is for the development of seniors advocacy and lobbying skills; $45,000 to teach seniors how to lobby the government. The seniors I know are very intelligent. I do not think they need that kind of education. Fourth is another lulu. It is to develop a model for ethnocultural wellness. Why in heaven's name do we need a grant for Ukrainian seniors to help them develop a model for ethnocultural wellness?

This is quite amusing. The NDP jumped on the special interest bandwagon immediately. The member for The Battlefords—Meadow Lake wrote to me and implored me to support such a giveaway. So much for the NDP discovering its roots and returning to reality.

I wrote to the Minister of Canadian Heritage, the minister who is under so much criticism today, to inform him that I did not support the approval of that application. I did so for three main reasons.

First, I reject the premise that health care needs should be met on the basis of ethnicity. If a senior citizen in Canada or any citizen for that matter is in need of health care services those services should be available on the basis of need, not based on any ethnocultural criteria. If you are sick or you break your leg on the job, it does not matter if you are a Canadian of Ukrainian, Polish, Chinese or Norwegian descent, I would think the doctor is going to treat your case in pretty much the same way.

• (1140)

I can see no reason for special health care for Ukrainians. Most of the Canadians of Ukrainian descent who I know would be deeply offended to learn they were being categorized as a special case. They are proud Canadians, proud of their culture and very capable of looking after their needs and interests without the paternalistic help of the government.

Second, giving people tax dollars to teach them how to lobby for more tax dollars is not effective stewardship of Canadians' tax money. Unfortunately the government does this sort of thing all the time, but I would not and I will not endorse this activity.

Third, I felt that the $45,000 the Ukrainian Canadian Congress was asking for would have been put to much better use if it were spent on health care in general. This way it would benefit all senior citizens, in fact all Canadians in Saskatchewan and the rest of Canada regardless of ethnicity.

The minister's office was kind enough to phone me and let me know that the grant was being approved anyway. This is one more example where the government makes a show of involving individual MPs but goes ahead and does what it wants in any case.

I am curious as to why the minister approved the grant. It may be the minister feels there is some legitimate reason that Canadians of varying ethnic backgrounds need different health care services. Maybe he thinks that. It may be the minister feels that giving people tax money so they can lobby for more tax money is an effective spending restraint.

Perhaps the minister is naive, but I believe the objective here is more politically motivated. It is clear that all these special interest and lobby group grants are being done in a crass old style politics attempt to buy the support of Canadians with their own money. It is the old politics.

In fact the entire Department of Canadian Heritage is nothing more than an entrenchment of special interest funding and Liberal giveaways. That is why I am supporting the amendment to send the subject matter to the Standing Committee on Canadian Heritage. In the committee perhaps the wheat can be separated from the chaff. Perhaps the government can get out of the business and be told to get out of the business of designing culture and buying support with other people's money, often with their own money. We can save the taxpayers of Canada a lot of money in the process.

There has been a lot of talk about Reform versus the status quo. I appeal to members and say that status quo multicultural policy cheapens our rich and diverse culture. The Reform position of placing the onus on lower levels of government, private associations and individuals to preserve and promote their cultural heritage deepens and ensures the future of our rich and diverse culture. Let us deepen rather than cheapen the multicultural nature of Canada.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, how ironic that today is the day we are looking at the reorganization of this department, particularly in light of the allegations that have been made against the minister of this department. I once had a boss who told me that a fish always rots from the head down. Today we should see a reorganization of the department starting at the top.

Last spring I sat in on the committee on Canadian heritage. I sat 10 feet away from the minister when he told us that agencies like the CRTC are to be at arm's length from the government. He has said it on countless occasions and now we are going to make him live up to his words.

Implicit in that letter he sent no matter what he says because he is a minister of the crown is the fact that he is the one who approves along with cabinet orders in council for the positions on the CRTC. His department sets the guidelines. His department sets the budget for the CRTC.

• (1145)

I remind the minister and the members across the way that it was not long ago when the hon. member for Sherbrooke was facing the same sort of situation. The leader of the Conservative Party was facing the same situation and Liberals across the way screamed for his head. They got it. They should have. Now they should hold themselves to the same standards at least of the Mulroney government, a government that did not have very high standards.

I encourage members across the way to get to their feet and tell the Prime Minister in no uncertain terms that this is absolutely not acceptable. I encourage them to move today while they still have a chance to cut their losses and ensure that no more damage is done to the credibility of the government.

That is at the top of the department. I want to move through the department now and talk about some other issues. When we look at all the issues that are within that department; multiculturalism, CBC, status of women, the Canadian Heritage Languages Institute, the National Film Board, there are so many targets. It is an embarrassment of riches. So many boondoggles, so much waste, so little time.

I want to talk in general about Canadian heritage and how it protects Canadian artists and the whole idea of government intervention in the artistic community. This is a relatively new occurrence in western civilization, to have a government involved in protecting particular artists, choosing some and saying they are worthy of the support of the government while others are not. In ancient times when patrons regularly supported artists, those artists were at least accountable to that patron. If they did not produce art work it was guaranteed they would not be supported again by that particular patron. Such is not the case in Canada.

For instance, the Canada Council uses peer juries to select which artists should be worthy of support by the government. This is a closed system. It is like a bell jar, the jar they use in scientific experiments. There is no accountability to the public, the people who are paying the money. At the risk of repeating what I said the other day in a member's statement, they "breathe each other's air". We do not get input from regular people about what constitutes real art.

It is well and fine for artists to produce art for their own pleasure but it should be at their own expense, not the expense of Canadian taxpayers.

Who does not stop and wonder about the huge distortion that government intervention in the arts community has had after they tour the National Gallery. I have talked on this issue before

but I must repeat what I have stated because it is so utterly unbelievable.

I remember distinctly the first time I went to the National Gallery. I was impressed with some of the art work. There were pieces of art work from classical artists which are universally accepted as great art. That rightfully belongs in a national gallery.

I remember like it was yesterday walking into a huge room and seeing in the corner boxes of Brillo pads stacked to the ceiling. This was not a supply room. This was a display of art, believe it or not, in a corner, brightly coloured boxes of Brillo pads.

In another room there was what I thought was some construction in progress. It was carpet underlay lying in the middle of the floor. This was a work of art according to the National Gallery. It was paid for by Canadian taxpayers. This piece of art, if you want to call it that, was called "256 pieces of felt" and it was a pile in the middle of the floor.

Another room had bricks lying on the floor in a line coming out from the wall—

**Mr. Strahl:** At least they were in a line.

**Mr. Solberg:** "At least they were in a line" the hon. member says. This was also art work.

If these people want to do this for their own pleasure, fine. If they want to put some underlay in the middle of their living room floor and marvel at it, that is great. We support that. On the other hand, if they expect Canadian taxpayers to shell out money so this can be displayed in the National Gallery it is crazy. The people are fed up with the waste in government. If it wants some areas where it can cut it can start with Canadian heritage. There is no end of waste in that department.

• (1150)

I remember reading about Charles Dickens. In England in those days there was no support from the government for artists. One fall that great writer was pressed to come up with a new book because he had a large family to support. Christmas was coming and he needed some revenue. Therefore, this prolific writer, who was prolific probably because he knew that if he wanted to survive he had to produce these works of art, was facing this Christmas deadline and knew he had to get something out so he could have an income. Faced with those pressures and faced with the fact that he had to be excellent in what he produced if he wished to sell his book to have some money, he produced one of the great classics of all time "A Christmas Carol".

I do not see why the principles of that time cannot apply today. Why do we have to have the Canada Council involved at every step of the way? People who have no business publishing a book because their work is not worthy are getting grants from the Canadian taxpayer to do it. That is crazy. I again urge the government to look at all these areas where it intervenes into the artistic community, to get out of there and allow real artists to blossom and do their thing.

We have great artists in the country from every area of the artistic community. They will prosper irrespective of whether or not they get grants from the Canada Council or protection from the Ministry of Canadian Heritage. We do not need to worry about them. We do not need to feel that we are somehow inferior. We have shown time and again that we have people who can compete in the international community with respect to the whole Department of Canadian Heritage and artistic accomplishments.

We have a deficit of $40 billion a year, a debt of $535 billion a year and the high taxes that go with that. Canadians used to have some disposable income to spend on art. By running up the deficit because of this ridiculous boondoggle of handing out grants, now they have less disposable income to go out and buy the art that we would all like to see produced. The government across the way is therefore cutting off access that Canadian people have to art.

I urge the government not only to reorganize the department but to cut spending dramatically and reorganize it right at the top starting today with the minister.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I am delighted to also add a few comments, thoughts and ideas on the bill.

I cannot help but wonder why it is that we feel it is a legitimate role of government to pluck the pockets of the taxpayers by the coercive process called taxation without giving them a choice. We are forcing them against their will to support any and every cause which some bureaucrat or some deputy minister or some head of a department decides is worthy.

My hon. colleague from Medicine Hat has just gone through some of these ridiculous decisions which have absolutely no defence in terms of representing the mainstream of Canadian society.

I am one of those proud Canadians who was born here. I am a first generation Canadian. My parents did not speak English. My first language was neither English nor French. I could be called one of those ethnic immigrants although I was born in Saskatchewan, a point of which I am justly proud.

• (1155)

When we were growing up we had absolutely no access to public funds. As a matter of fact, my grandfather would have dutifully declined if it had been offered because he firmly believed that it was his responsibility to provide for and look after his family.

My grandfather and his sons, my dad and his brothers worked out at a very low wage in order to keep their identity and their

pride. I am very happy that is my heritage. I learned too that hard work and self–effort was required in order to get ahead.

When different people are able, by the spending power of the federal government, to merely access money at will and use it however they wish without accountability, whether or not it has any measure of support out there in the public, promotes and extends a standard of dependence. There is no excuse for that in the long run.

We are sometimes criticized in the Reform Party for harping on the debt. I cannot think of anything that is more important. Whether it is an individual, a family, a business, a province, a municipality or a country, we need to be sound financially if we want to be sound in other ways.

This morning I could not help but think of this when one of my colleagues from the Bloc was speaking. Perhaps part of the reason for the desire of divorce is the fact that we have such tremendous fiscal mismanagement. I read in a book not long ago that fiscal mismanagement and debt is one of the leading causes of divorce in families. Perhaps that is one of the reasons why Bloc members are representing a lack of trust and a lack of consideration for remaining in our Confederation.

We need to start looking at the use of our federal moneys much more carefully than we do. This whole department is a sinkhole of money that does not go anywhere. I cannot overemphasize this any more than I just have.

We have the problem of grants to different societal groups. I think about the past generations. In my area there are a number of Ukrainians and German speaking people as well as English speaking people in great numbers. Most of them, when they came out west, were independent, rugged pioneers. They would not accept handouts.

We keep talking about how we want to be tolerant and loving, we want to be multicultural. I agree with that profoundly. We need to reach out and touch each other, as the good phrase goes. We are building resentment by these programs. One group asks for a grant and they get so much. Another group asks for a grant, but because they do not have as powerful a connection to the decision makers, the grant is less or perhaps is even denied.

This can only produce one result. One group now resents the other group. The only real way of having a level playing field among all these different ethnic groups and promoting true ethnicity in our country is to treat them the same. Allow them to fund themselves at whatever rate they want to. Frankly most of the practice of ethnic culture does not require any money.

I was proud the other day to attend the meeting in this city with the Greeks, the AHEPA, their educational society.

• (1200)

They had put on a dinner and they wanted to inform us about their society. A wonderful thing happened. This was a formal occasion and those who could afford it—of course I was not among them—had tuxedos with black ties. It was a very elegant situation.

Suddenly some of those people gathered around the piano. There was one person there playing piano and two or three people came and started singing. It did not take long until there were about 20 people crowded around the piano. In this formal setting this little informal occasion had arisen.

We did not need a federal grant for that. That happened. It was spontaneous. It was genuine. It was real. I liked it. That is the kind of thing we need to promote. The federal government should be in the role of guaranteeing the freedom to speak in the country any language we want, guaranteeing the freedom to practise our culture any way we can legally. We ought not to be in the business of taking money and transferring it from the taxpayers, often against their will. We know there is an increasing resentment and a decreasing support for this involuntary taxation.

We can help renew that trust of the Canadian people by reducing the amount of money that we take from them in order to promote and give grants to people without just cause.

I want to say something about the CBC. My hon. colleague from the Bloc made mention of funding and that it was not equitable between French and English. I wrote it down while he was speaking that in the area whereof I speak, and this is just a statistical fact, the English speaking people in Alberta outnumber all of the others.

We also have a great number of people who speak Ukrainian. There are German people and I believe the French place fourth, although they may now be even lower in numbers because of quite a bit of immigration from the Orient in recent years.

We have a French television channel there, CBC. Most of the time it broadcasts the test pattern and plays nice music. I admit I sometimes watch it because I like the background music that is on while it displays the test pattern. That is other than the times it just has the 1,000 kilohertz signal.

We fund that. I do not know how new my statistics are, probably two or three years ago, but only about one per cent of Albertans speak French, and of those if I remember correctly only one–quarter spoke French but not English.

If our objective is to communicate with one another it is only important that we speak the same language. How I wish I could speak French so that I could debate and enter into discourse with

my colleagues to my right here. I wish I knew that language. Unfortunately when I was a youngster I did not learn it and I am discouraged at trying now. It is difficult. It is so important for us to be able to communicate with one another. Spending federal money on promoting French broadcasting of the test pattern in Alberta makes no sense, absolutely none.

I would like to see those funds, if continued to be expended, to be used in an area where at least the people hearing the programming can understand it and benefit from it.

It is atrocious that when we have television and radio stations that make a profit—I am told by some of my contacts that radio these days is very competitive—we need to subsidize the CBC at the rate of over $1 billion per year. Surely we can get management in there that will produce a profit for the Canadian taxpayers and not be a continual drain.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I appreciate the time to debate this reorganizational bill today.

• (1205)

I must start by mentioning what some of my colleagues have already brought to the attention of the House. I should bring to the attention of those listening to this debate and watching on television to the crisis within the department, starting right at the top.

In *Quorum* I read a couple of days ago, although I do not remember the exact quote, where the minister said that we would now see a whole new way of protecting Canadian culture. A couple of days later we find out that the whole new way of protecting that culture involves personal letters from the minister on behalf of friends to the CRTC, an independent quasi–judicial body.

That whole new way of protecting Canadian culture will not wash in the House or with the Canadian people. It did not wash with past ministers who tried that. We are probably seeing the first serious case that at the minimum the ethics commissioner should investigate. Preferably the honourable thing will happen here in the next few hours and we will see a minister step forward with his resignation. It is unfortunate but I think to clear the air this will be necessary.

What is the cultural background of the country? We on the foreign affairs committee, of which I was member for a few months, found this to be a very controversial issue. Some would bring up the idea that culture is a personal thing, that it follows our actions, that it is a legacy and the heritage we pass down to the next generation. Other people would argue that culture only thrives when the government is behind it and spends money on it and forces it, when the government regulates it and decides which culture is good and which is bad.

The Bloc Quebecois brings the issue up very forcefully that the Canadian federal government has very little reason to be involved in promoting and selecting the culture Canadians would enjoy.

This is not a job for the federal government. The federal government's job is to protect against discrimination, to ensure that people are not discriminated against because of their ethnic background, not persecuted or prosecuted unduly because of their choices.

If individuals, lower levels of government, the provinces and other people and private organizations want to enhance culture, then by all means that is where it should be done. For the federal government to spend billions of dollars on what its idea of culture should be does not wash with the Bloc Quebecois and it does not wash with me and the Reform Party. Culture is not something a bureaucrat can choose from.

The Canadian film board has put forward several pieces of questionable, dubious trash and these are now available to the school boards. I told witnesses who came before the committee: "If you ever got out of the cloistered halls where you are making these decisions and to Fraser Valley East where I live and told the citizens there who do not understand this difficult issue that what they need is a government grant to the Canadian film board to show how lesbian relationships are the way of the future and that this is an excellent thing to promote, the citizens would want to do the old tar and feather routine". They would say that if somebody wanted to put out that film, by all means. There are probably thousands of those films put out every year. Is it the job of the federal government to support that? The answer of course is absolutely not.

We are going in the hole financially—in many ways in the country but financially especially—$110 million per day. How can a government that says it is trying to wrestle the deficit and debt to the ground continue to spend money on discretionary spendings when some priority items in the country are not being funded properly?

It asks students to take on more student loans because it has run out of money for them. There is still money for the Canadian heritage society and every other boondoggle in the country, but no more money for students.

• (1210)

We tell the provinces that they are going to have to cough up a bigger percentage of the health care costs, but we still have money to expand the museum in one of the minister's departments next year. We do not have any money to increase the basic pension requirements but we have money for the CBC to the tune of $1 billion a year.

People are rejecting that wholesale, as they well should. The other day I told members a story and I know how much they enjoyed it; we had laughs over that story. I would like to tell

another story. This one is not quite so funny but it is a true story. Again it is a very personal story involving my father.

My father was born into a community that looked after its own cultural background. It was a Swedish community back in the prairies in Minnedosa, Manitoba. Many a happy hour I spent back there visiting my aunts, uncles and other relatives. It was basically a Swedish community. It did the Swedish thing. It still has pickled herring and a few things from the Swedish past. I enjoy some of the heritage on that side of the family.

My dad's dad, my grandfather, died when dad was only six years old. Really the cultural things became very important. The community things, the family things became very important because that is where my father was raised. He had no father. In those days he had to pick up the support where he could. He got the support from the community.

When my dad was 17 years old and the second world war was on, he left that community and went to Winnipeg to enlist. He was only 17 years old. He was not old enough legally to sign up but being a big, strapping boy from the prairies and probably well fed—maybe underfed, I do not know—he looked the part but the enlistment guy told him he could not sign up and that he needed his mother's signature.

Dad took the forms and went out around the block to the back of the building, forged his mother's signature, went around to another door and came back in and enlisted as a 17–year–old.

There is a whole other story that goes with that but the point about the cultural thing in this is that dad never talked much about the army days. He spent a couple of years in. He did not have to go overseas and he made it through those war years okay, but the thing that stuck out in his mind and the only thing that dad talked about was that he did not think he did a very brave thing. It was what millions of Canadians were prepared to do.

The form on which he had to forge his mother's signature asked what ethnic background he was. This was back in 1943. Dad said that he just put a big line through there and said: "I am Canadian. That is what I am. I am not a hyphenated Canadian. I am not less a Canadian. I am not a half Canadian or anything else. I am a Canadian".

When people have a strong sense of their Canadianism, what they are, they do not need government subsidies. My father certainly did not. People in my community certainly do not.

An hon. member over here mentioned a case a while ago about someone playing a piano who looked up and said: "Does anybody happen to know this song?". Out of the crowd came about 40 or 50 people singing it in German. I do not even know what the song is because I do not speak German but they sang a song in German. Then the crowd went back out, proud of its heritage.

In Vancouver there will be the Chinatown festivities and so on. There will be the dragon dances and all that kind of thing. That has been going on for decades and decades without government help. When culture is part of a person they say: "I am a proud Canadian. I happen to have some of my background, my traditions, my heritage".

Members will find Canadians say: "I do not need government support for that. I am a proud Canadian. I have my own culture. It is my business. The government should not intrude into my life or dictate what I can watch on television or listen to on the radio. It is my business. Stay out of it".

When there are billions and billions of dollars involved, it is time that the Canadian government decided what its priorities are. The priorities are not in this heritage department. The priorities are health, pensions and the best education for our next generation. It is not the boondoggles that we see time after time in the Canadian heritage department.

• (1215)

I am disappointed to find that in this reorganization plan there is not a bottom line that reads: "This department will be severely curtailed". Unless that is in there I cannot believe that any reorganizational plan will be an improvement. The first reorganization of course as I mentioned earlier should be a change in ministers. Then we would see how Canadian heritage should be maintained in the hearts and lives of individual Canadians.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I am very happy to rise today to speak on Bill C–53, a reorganization bill.

I would like to follow up on what my colleagues on this side of the House have been saying and relate it back to the election of one year ago when I ran successfully against a Liberal. I heard the words of the Liberals during that election campaign, things like: "This government, a Liberal government, will be different than a Conservative government. It will be more accountable". They said they would be more accountable.

Today the headline reads "Minister aids radio licence bid at CRTC". That is what we see today in our headlines. An apology from the minister is not good enough. The minister says that all he did was act as a member of Parliament. A minister of the crown is not an ordinary member of Parliament.

In March he wrote a letter to Keith Spicer asking him to give due consideration to an application for a 24–hour Greek language radio station. Also, which he did not mention this morning in his statement, he asked Mr. Spicer to keep him abreast of developments, adding: "Please do not hesitate to contact me if you require any further information".

If this is not interference, I do not know what is. This is blatant interference. I would also like to mention that the letter sent back to the minister from the commission's secretary general said: "Thank you for your letter of support".

One thing everyone in this business should learn is perception. Perception is everything. If the perception at the CRTC was that this minister was supporting and if the general public and the people of Canada also feel strongly that the minister was supporting then the minister has an obligation to do the honourable thing.

Tomorrow in the House we will be debating Bill C–210, a recall bill. If this minister and government do not bring accountability to the House, members on this side will certainly try to bring accountability here by introducing such legislation as recall. We know that we will receive some support from that side of the House. I have talked to members on that side who are very supportive of this. I hope the minister will do the honourable thing.

With regard to the bill, I have a few comments I would like to make, in particular about bilingualism and official languages. I get a little frustrated when I find out that the reason governments, including the government, sometimes spend money is to promote particular groups or particular people in this country. I know the member is very interested in this subject.

• (1220)

I am going to talk about the Department of National Defence in the province of Quebec for a couple of moments. The Department of National Defence feels it is very important to encourage francophones to join the Canadian Armed Forces, in the navy. In order to do that the government felt it was important to build a fleet school in Quebec City. It spent millions and millions of dollars on a fleet school. The reason for this, and officials from the Department of National Defence have been quite open, is that it wants more francophones in the Canadian Armed Forces. Why spend millions and millions of dollars on that item? Not only is it building a fleet school there, but four of the twelve new coastal patrol vessels will be in Quebec City.

We have the largest coastline in the world to protect and we are going to have four of our coastal patrol vessels, on which we are again spending millions of dollars, in Quebec City with a fleet school.

Why do we not promote people from the province of Alberta? How about farmers in Alberta? Maybe we should promote them being in the navy. Why not build a fleet school on the Bow River? Maybe that is a good idea. Maybe we should do that in order to encourage Alberta farmers to join the navy.

I get laughs from all sides of the House. They are right. It is absolutely ridiculous that we are doing that. People in Quebec, Alberta, Newfoundland and across the country have the opportunity to join the Canadian Armed Forces, and in particular the navy if they want to, but we spend millions and millions of dollars to build a fleet school in Quebec City.

I might point out that the citizens of Quebec City do not even support it. The mayor of Quebec City at one time said that it did not even fit in with the landscape of the city. That is absolutely absurd. The people of Canada will not put up with this nonsense any more.

Official languages in the country, yes. There should be freedom of speech. There is no question about it. It should be respected in the House of Commons and the other place as well. However, we are spending millions and billions. We cannot even get the actual figures for bilingualism. It is said to be $310 million a year. That is absolutely absurd. It is probably closer to a billion or more dollars per year that is spent on bilingualism in the country. It has been proven it does not work. It creates walls and it divides people. It has not worked and it will not work. We have to move toward something new, a new approach, a new way of doing things to respect freedom of speech.

Multiculturalism is something that I feel was created with all the best intentions in the world. They wanted to bring people from other countries into Canada in the hope that it would bring people closer together.

It has put people in separate little rooms of the country. It has separated us all. It has divided us and split us.

**Mr. Milliken:** Nonsense.

**Mr. Hart:** The hon. member says no, no.

**Mr. Milliken:** I said "nonsense". Quote me correctly.

**Mr. Hart:** It gives specific ethnic groups pockets of money that other Canadians cannot have. It is not right.

The country should be looking at ensuring equality. That is what the government should be doing. It should not have a department of multiculturalism. It should be working against discrimination, ensuring that all Canadians, regardless of race, religion and gender, are equal. It does not matter. This is a tremendous waste of money.

In closing I will say that hon. members on the other side of the House are not stupid; they are just wrong. They are simply wrong.

• (1225)

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, I would like to add to what some of my colleagues have had to say here today on culture and heritage.

I have a deep appreciation for Canada's culture and our heritage. I have many generations of ancestors in Canada. They started out in the maritimes and came to British Columbia over a period of 150 years. Contrary to what some might say or think, I believe that Reformers and Canadians in general have a deep

appreciation of our heritage. I believe that Canadians for the most part like art, films, and books. They like many of the things our minister of cultural heritage is promoting.

Most of us express our desire and enjoyment of our culture and art through our personal decisions. We make decisions as to what we are going to buy, which art for our homes and which books to read. We visit art galleries when we choose. In general through the marketplace we express our appreciation with our money in the forums where we feel that it is appropriate to do so.

The operative word here is marketplace. The marketplace is the proper place to determine whether art is saleable, whether it is desirable and whether the people who are creating it should be supported.

What we have in Canada is government directed heritage and cultural policy that ignores the market altogether. The government funded cultural community needs taxpayers' money to survive because it cannot convince people to buy its products on their own. It is not successful in the marketplace.

If writers want my money and the Canadian taxpayers' money they can write books that Canadian taxpayers will buy. If artists want my money they can create art that I and Canadian taxpayers will buy. If film makers want my money they can create films that I will pay money to see and they will therefore be successful.

These people do not need to convince me to buy their art or their books or pay to see their films. They can go to Ottawa and convince the government to fund their projects and their initiatives and I as a taxpayer along with millions of others from coast to coast who do not agree with the kind of products these people are producing are forced through a coercive taxation system to support it in any event.

This is why we have a National Art Gallery that is full of goofy paraphernalia that common sense Canadians would never ever buy. We have so–called treasures in our National Art Gallery. I come from the construction industry. People in the construction industry tell me that the notorious painting "Voice of Fire" could be created in about one–half day by a couple of good painters.

**An hon. member:** Three minutes.

**Mr. Scott (Skeena):** Three minutes with a spray gun. Yet the government has been spending millions and millions of dollars to acquire these goods and put them in our National Art Gallery. We have at times hung paintings and writings on the walls of that gallery that some Canadians would indeed believe to be bordering on pornographic. They would not let their children have these at home, yet they are confronted with them when they visit our National Art Gallery.

Why? Because the elite have determined that this is good for us without our consent. They take our tax dollars to support these artists when clearly Canadians never would.

The Reform Party and I say it is time to get the government out of the business of heritage, out of the business of culture and let the marketplace establish what people want and what they do not want.

• (1230)

It is very simple. If somebody produces something that has value and is desirable, Canadians will buy it. But when we have people who can go to the government, get grants and be funded through a coercive taxation system with no regard for whether Canadians actually want this paraphernalia, we are going to have what we have right now, a tremendous waste of Canadian taxpayers' money and a collection of what I consider to be, and I think many people consider to be, nonsense in our National Gallery.

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, I am generally not considered an expert on culture and the heritage department. I am a farmer from Saskatchewan. However I do read. I do write. I do look at art. I do watch plays. I do watch television and all the things that all Canadians do.

In this discussion we should remind ourselves that cultural pursuits are an expression of all of society and they have always had difficulty being recognized for what they are trying to do.

We have heard a number of speeches this morning stating that if the market will not support it then it should not be produced. Yet when I look back at my very modest understanding of the history of artistic endeavour, I see a great many works that are now considered to be the epitome of that genre of art. It would not have been accepted by the market in the day it was produced. It was very controversial and yet because the state or the church was determined to pay the artist to do the work and support the artist in his or her endeavour it was produced.

People asked why waste money painting the Sistine Chapel ceiling, paying an artist for the years and years it takes to produce that stuff. When it was finished the population was agog because Michelangelo had painted some of the people without as many clothes on as they thought there should be. While the church and the Pope had financed the project, they did succumb to popular pressure and have him come back and paint over some parts of it.

However without the backing of the state or the church—in that case the church was collecting money from all of the population—without a firm commitment to that artist, we would not know Michelangelo ever existed. He is still considered to be one of the greatest painters and sculptors of all time.

That is just one example. We have many in Canada to which I am sure people in the artistic community could point. Because most of my friends of the Reform Party are from western Canada I would just mention the name William Kurelek .Without some assistance from Canadian governments we probably would not realize that William Kurelek was a great talent in his own right. He was considered kind of a nut case by his colleagues and the people who knew him, but some people in the artistic community convinced others he should receive financial support, so we got the paintings that he produced in his lifetime.

We tend to think that Heritage Canada is only supporting experimental art and playing with new ideas, that they support exotica or things that are quite foolish. We have heard quite a lot of some of those perceived to be foolish things. Not being terribly modern and culturally aware, some of those seem a little foolish to me as well, but we have to be prepared to make those kinds of experiments if we are going to move forward as a society.

As we have only eight to ten minutes each to speak I do not want to spend too much time on this, but we should remind ourselves that some of what Heritage Canada does with its grants and its money is quite mundane. If we pulled back all the support the department gives, even my friends in the Reform Party would up on their feet crying about the interference that had been precipitated by the pulling back of those funds.

• (1235)

As an example, I have in my community a second newspaper that started up in the last few years which portrays a very right wing point of view. My friends in the Reform Party would love the editorials. Basically the reason for the newspaper is to put those editorials and those opinions in front of the general public in that community. Because this lady has these extreme views she has trouble getting advertisers to support the paper.

She wanted to set up a second paper and keep it going. She had started one up in a neighbouring community which was in danger of folding so she took over the management of it again. I got a call from her to say she was having trouble getting the postal subsidy needed to keep both newspapers going. This comes from, guess where? Heritage Canada. As I recall it is about 88 cents per paper per week. The paper cannot operate and cannot circulate this other opinion in those communities without the support of Heritage Canada.

While she is an avowed believer in letting the market be determined, she was very concerned as well about the duality of these arguments we get into and the fact that she might not be able to get a grant from Heritage Canada because she was starting up a second paper and policies were changing. This in effect would be a restriction of freedom of speech. Freedom of speech is only one forum of the freedom of expression our societies and the tribes we have come from feel is the root of our existence.

If we are going to have freedom of expression it has to go beyond just producing newspapers with a point of view. It ultimately has to include putting paintings on ceilings, even though it was thought to be a stupid place to put a painting, and living with the kind of criticism that even that glorious work in the Sistine Chapel got when it was performed. Sometimes backing off from criticism has happened, with a little paint here and there to cover up what the general public is opposed to and making adjustments but not by withdrawing all support from society in general.

I hope in opposing the restructuring of Heritage Canada that some of my friends in the House do not mean that all forms of support would stop. Even as a group, we are not wise enough to recognize a potential talent or a product of the artistic mind that will fly and be famous for centuries.

One time as a farm boy I was able to get to Paris for a day or two and go through the Louvre. There are many works I remember of course. Everyone sees the "Mona Lisa" and wonders at the Dutch masters and the works of the French, the Spanish and the Italians. However, the one thing I personally admired was some of the sculpture in stone from the early Greek period. Some of this stuff weighs thousands of pounds. The art is so great it appears as if these winged creatures will take off momentarily. They look as light as a feather, they are ethereal. They almost look like lace, but they are stone and weigh thousands of pounds. Nobody knows who did that work. But we still have it and we still admire it.

• (1240)

Some time thousands of years ago, some king or priest or bishop or whoever helped to finance this work of art. It was probably criticized by a few people in the street or maybe all the people in the street as a waste of public funds for keeping this poor sculptor in food and drink for the time it took him or her to produce it. Nobody knows who produced it and yet millions have appreciated the thought and the expertise and the feeling that went with it.

To be so careful with our dollars and cents that we lose all common sense has to be something we avoid. I hope for just a few political moments, we will let common sense prevail and not just follow public demand. The public demand to stop spending is always there from the taxpayers' side of our psyche. We also must remember we have more than that in our individuality and in our group consciousness and in our group needs. We

must recognize that this also includes recognizing freedom of expression and supporting it.

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, I am surprised that this is a bill of such profound importance as I detect from the opposite members.

I wanted to rise on Bill C–53 with a specific interest. The interest is this. Why would the bill come to the House now? I would like to ask that rhetorical question. Why is the bill in front of us now?

I have listened to my Liberal colleagues speak very eloquently about a fairly major review of much of the government's operations. In my view the bill would fit very well into a fairly significant review of those operations.

I looked actually for the department to give some specific recognition that there is some controversy here. The controversy has been heightened by the minister's actions. Those actions might provide a lightning rod for the Canadian public in terms of his department.

Why now? Why would the government bring in a bill on multiculturalism before a major program review? I am not sure I can answer that. I ask for some advice from my colleagues across the way.

I listened just a moment ago to an eloquent discussion of how the elites in our society should be the ones to provide our cultural heritage for us. I reject that allegation. I listened to how a king, a pope, a prince, someone with tremendous recognition of value looked after the artistic community, looked after the needs, wants and wishes of the artistic community.

I reflect on the individuals in our society today who are pushing the cultural agenda. Who are those individuals? They are individuals who have been elected to public office. Were they elected to public office to produce artistic works, to decide what had merit?

My constituents did not elect me to do that. They elected me to provide some very specific leadership on issues that had nothing to do with culture, nothing to do with language. They asked me to come to Parliament to bring common sense to the debate here. I do not see common sense well displayed by individuals who say that the government should be the provider of cultural direction. Elites should not decide what is good for the public. The public should decide.

What will the bill not do? If I am going to criticize a bill, I would like to criticize the things that it will not do and look for some positives. It will not streamline the department. I see no indication that there will be less administration nor do I see any indication that it will downsize the department. I do not see anything in the bill that will save the Canadian taxpayer money and why would I want to see those things happen? Why would I care if the department were streamlined, downsized and fiscally responsible?

• (1245)

I want that because I have come here hoping that our health care system can be saved. I have put a very high priority on our health care system. Looking at the health care system throughout our country I ask: What is happening to it? I see streamlining and downsizing. I see a decrease in administration. I see hospital beds being closed. I see surgical operating room time being diminished.

I look at those things and I ask: Where is the priority in our country? Where is the priority that would allow a government to put this department, no downsizing, no streamlining, no decrease in administration, ahead of the health needs of Canadians?

I look at the proportion of dollars that the party in government puts toward health care. I have watched those funds drop in the last 10 years. Federal government funding has gone from some 30 per cent of health care dollars down to 22 per cent and I am sorry to report it is still falling. That is wrong.

If there were a prioritization of issues for the government, the department would not have high priority. It should not have high priority when we face the financial situation we are in today. I call for and plead the government to change its priorities, to actually reverse the momentum toward things like this that do not have long term significance, that will not help the patient with cancer and will not help the mother with a problem pregnancy. It will do none of those things.

Where do I come from in a personal cultural sense? My own background is one–half English, one–quarter Irish and one–quarter Norwegian. I had a very close relationship with my Norwegian grandma. I actually lived with her when I went to university.

She expressed in a very interesting way how she maintained her Norwegian background by saying: "I maintained my Norwegian background by my honesty. I did not come to Canada to become a mini–Norwegian here; I came to Canada to become an honest citizen of Canada". She had a cute little poem which is the only thing she reflected upon about her own particular ancestry. She decried the idea that somebody should help her look after her culture. "I am a Canadian. I am a Canadian who came via Oyen to Edmonton to be just that, a Canadian".

I look at what I consider to be the scandal facing the government today with this department and its minister. For those watching on television, comments are coming from across the way that there is no scandal here but I would like to reflect on one precedent of scandal.

One precedent when the Liberals sat in opposition is as follows: The member for Sherbrooke, the Minister of Justice at the time, made a phone call to a judge. Members sitting on the government side today called for that minister to resign. They called for his resignation because of a conflict of interest. A minister calling someone whom he had direct responsibility for was a conflict of interest. The minister resigned. He did not

want to resign. It would have looked better for him if he could have said: "I did not intend to influence the judge, I was just representing a constituent". I think that was one of the comments I heard.

• (1250)

**Mr. Silye:** This morning?

**Mr. Hill (Macleod):** Yes, it came to me clearly. And where do we sit with this scandal today? A minister writes a letter to somebody under his direct responsibility. He owes his job to the minister. I see a straight line relationship there. Most Canadians can understand that.

The minister has a direct responsibility, a direct understanding of that responsibility. The minister should follow the precedent that was established when the Liberals sat in opposition and called for the resignation of a minister.

**Mr. Milliken:** Read the letters.

**Mr. Hill (Macleod):** Now I hear there was a second letter written which obviates all responsibility. I would ask for a report on how soon that letter was written after the first.

**Mr. Silye:** Six months later.

**Mr. Hill (Macleod):** Six months later could be called a covering of the backside.

**Mr. Silye:** As soon as they knew the media was on it. As soon as the media got word of it that letter went out.

**Mr. Hill (Macleod):** Indeed that was my understanding. Should the minister resign? The Canadian people really should decide that. I wish there were a direct, specific mechanism for ministerial recall as well as member of Parliament recall.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I rise today to address Bill C–53, the reorganization of the Department of Canadian Heritage. I have two suggestions to make on this bill.

First, the minister, or the new minister, should consider eliminating funding for multiculturalism to achieve a savings of $30 million to $40 million. Multiculturalism is creating divisiveness in the country. It is creating confusion and it is creating prejudice in the country. I will come back to this point shortly. The second suggestion is that the Minister of Canadian Heritage resign.

Going back to my first suggestion on multiculturalism, I am a first generation immigrant of Hungarian parents born in Vöcklabruck, Austria. We came here in 1951. I was close to six years old. I am proud of my ethnic background. I am also proud to be Canadian today. The fact that we came to a new country, that we had to learn a new language and that we had to learn to get along with people were all things which helped develop and build my personal character and my outlook on life.

Some of the rules we had back then were a lot better than the rules we have today. Many of the rules back then still allowed for some prejudice, still allowed for some confusion, still allowed for some divisiveness, but overall for all intents and purposes immigrants were welcomed into the country.

Our current program of immigration which I do not want to dwell on leads to multiculturalism and the funding for the immigrants here. The various ethnocultural groups get funding to represent their specific ethnic groups and they are not even reaching out to the people they purport to represent.

There was a food fair in Ottawa about three or four months ago. Various ethnic backgrounds and cultures were represented. I attended because I like to see various heritages and cultures. I like to try foods from different parts of the world as well.

As I was circulating and meeting people visiting the various booths I came upon two different ethnic groups, one from Columbia and one from Asia. As I talked to them I revealed that I was a member of Parliament but I did not tell them that I was also an immigrant. During the course of our conversation I asked if they were associated with any of the ethnic groups and they said no. I asked if the groups were helping them and they said no.

The family who came here from Columbia worked part time. They picked up any job they could. They went back to school and got themselves re–educated as engineers. As a matter of fact both of them work for the government. They have three children 8, 10 and 11 years old, who are presently going to school in Ottawa. They are picked on and called names. The blatant discrimination is obvious. The rest of the kids in school have the impression they are being treated differently, that they are getting something they should not be getting.

• (1255)

This is what I mean by divisiveness and the confusion we are creating. The intent of the program although it may have been honourable and worth while has certainly deteriorated to a point where it is not helping the ethnic groups that come here, it is hurting them.

I really believe that funding to learn English is unnecessary. Funding to have them retain the language of the country they left is a complete waste of money. I still speak Hungarian. There was a 10–year period when I never uttered one word in Hungarian but I have retained and still remember quite a bit of it. I am not as fluent as I should be but I am proud of the fact that I can still speak it, that I am bilingual and do not speak just one language.

Multiculturalism is not so much to save money but it is also to start to respect immigrants who come here, to work with them to fit into our society. Just throwing money at groups and organizations is not necessarily the best way of doing it.

Some of the rules we apply to immigrants should be revisited. Some of the rules we had in the 1950s and 1960s could probably be reintroduced. Perhaps the government would like to strike a committee. It likes to strike committees; it is up to about 25 now. Perhaps it would like to strike number 26 and look into ways and means of improving multiculturalism and immigration and looking for ways and means not to just throw money at people but to help them fit into society through better mechanisms.

The second suggestion I have for the Minister of Canadian Heritage is that he resign. The gentleman has had this position for a year. When he took his cabinet position he was told the same thing all ministers of the crown are told when they swear an oath of allegiance to uphold to the best of their ability their responsibilities. They are briefed on what is proper behaviour and proper conduct. They know full well when they accept that job what lines they are not supposed to cross over, what constitutes conflict of interest and what constitutes impropriety. They are told all this and they accept the job knowing that if they commit a serious mistake, they have no choice but to resign.

Using ministerial stationery the minister wrote to CRTC chairman Keith Spicer last March asking him to "give due consideration to an application to start a 24 hour Greek language radio station". The minister also asked Spicer to keep him abreast of developments adding: "Please do not hesitate to contact me should you require additional information". The full letter was tabled earlier today.

I would like some more information. I would like to know how the minister can rationalize what he did in this situation versus what he was told he could or could not do. Was the minister not listening when he was being sworn in? Was the minister not listening when he was told what the proper rules of conduct are for a cabinet minister and what he has to do to pull himself out?

I am sorry but there is no way the actions in this matter are not examples of the worst kind of incompetence and impropriety. It is my humble opinion—and I feel the House should really speak out on this today—that he should do the honourable thing, not only apologize to the Canadian public, not only apologize to his peers as he did today. He has shown he is incapable of listening to instruction. I know financially he is incapable of handling that huge budget with all the areas that fall into his department.

I feel I have no choice. I know I am supported by a lot of members of our party and other members. Perhaps even members of the government would feel they could have a better minister running the Department of Canadian Heritage than the current minister. The man should not only reorganize his department but he should just resign and get out of the way.

**Mr. Ted White (North Vancouver, Ref.):** Mr. Speaker, the Ministry of Canadian Heritage is a fine example of how governments just get into people's faces, how they interfere in other people's lives. The ministry of heritage spends its entire time trying to force Canadians to accept a piece of art work, French language training in B.C., particular activities in the sports arena and so on.

• (1300)

My colleague from the NDP a little earlier in his speech mentioned that he does not feel we are in a position in the House to make judgments about the appropriateness of particular art works. Yet the old line parties in the House certainly felt completely competent to try to force the Charlottetown accord on the people of Canada.

There is a new approach needed in the House which pays a lot more attention to individual Canadians and what they want out of their government.

I have an example here of how the government, the ministry of heritage, is trying to force its way on the people of B.C. In B.C. fewer than one–half of 1 per cent of the people speak French at home. Yet the minister of heritage is sponsoring a court case in B.C. to try to force the province of British Columbia to install a francophone school board. It is absolutely an outrage.

A francophone society in B.C. set up a task force to study the situation. The minority language education task force report regarding francophone school boards for school district No. 22 got a total of 696 individuals and 467 of those replies were negative. The report completely ignored the negatives and decided based on what appeared to be about 223 unsigned form letters in French that there was an overwhelming demand for a French school board in B.C.; 223 form letters and it decides there is this overwhelming need for it.

What happens? The Canadian people now are forced to pay for a court case that will probably go all the way to the Supreme Court of Canada at immense expense for something that we just do not need. If ever there was an example of a way that the government could save money at a time of fiscal restraint it is right now in this case.

There is another example in today's Toronto *Star*. The headline: "Amateur Sport is a Living Corpse". It gives an example from its investigation that the bureaucracy and politically motivated agendas are swallowing up as much as $70 million of the budget for amateur sport.

The prediction from the report in the Toronto *Star* is that the entire amateur sport situation is going to collapse into disarray that will be incapable of winning medals by the turn of the century. Instead of the money getting to the people who need it, the sports men and women on the field, it is going to the

bureaucracy. Is that not typical of what happens in Indian affairs?

Enormous amounts of money get lost in the bureaucracy of the Canadian heritage department. The entire department is a disgrace. The minister should resign. Let us get rid of the department and apply the money elsewhere in government.

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, what a pleasure it is to speak to Bill C–53.

My, my, my, what a surprise. I thought we were through with all of this patronage with the new government and we are right back to where we started from, all the things we believed in year after year in the country and we are back to where we started.

Lots of times we are asked what the difference is between Liberal patronage and Conservative patronage. The answer is there really is not any difference other than the Liberals have more of it.

Here we are already a little over a year into their term as government and let us have a look at what kind of patronage we are talking about. There are three Liberal Party hacks given jobs to age 75 with the Senate. It is who you know and who you support with this same old traditional party. That is what it is all about, is it not?

One of the recent occurrences I had in my riding was chasing a fellow by the name of José Salinas Mendoza who skipped out due to the incompetence of the immigration department. One of the interesting patronage appointments there which is so indicative of the government is a fellow who was working on the Liberal campaign in 1993 who just happened to donate some money to the party, who just happened to be appointed to the refugee board, who just happened to be a lawyer for José Salinas Mendoza.

• (1305)

How does the government figure all this out? How does it get so convoluted and so entwined in its own party politics, in its own rhetoric, that it keeps appointing people to these kinds of things?

Let us look at our latest boondoggle by the minister of heritage. We have actually caught him in the act of a minister supporting an application for an individual in his riding. How blatant can one get? The reason this is blatant is that these appointments are going on without the community out there, without the people of Canada getting a grasp on exactly what is happening with these political parties; without the people of Canada complaining about these three Liberal Party hacks in the Senate, without the people of Canada complaining about refugee board appointments, about parole board appointments, about immigration adjudicator appointments. We cannot stop this.

Today we are going to ask if we can probably put an end to it by showing the government that the minister should step down. If he could step down maybe the Prime Minister might be looked upon by the bulk of the Canadian people as being forceful, as being a leader of integrity, one who believes in the importance of receiving and approving applications and appointing people to government positions on the basis of merit, on the basis of their qualifications, and not on the basis of whom you know and to whom you donate money.

I have a long list of failed Liberal candidates who donated to this party over here and it looks like a who's who on the list of patronage. I guess that is just how to do it. That is the reward, that is the pie in the sky if you support this party. Maybe you will get the plum, the biggest plum of the Senate, and then you get all these other paid plums down from the Liberal Party. They are all there.

One of the Liberal members wants me to read the list. I have not the time to read the list, it is too long. I only have 10 minutes.

Heritage is something we want to preserve. In the year 2010 and the year 2020 one would presume that we would want to preserve the heritage of 1994. I have to ask: Are we proud enough of what is going on in the country today with the government to preserve it?

I think as we go along with the government we are going to find that when the Reform Party government is in we will not need that department of heritage down the road in the year 2020 because we will not be very proud of what the government is doing today.

The real heritage in the country is where our people come from, what we are preserving of our language and our culture, our parks, all of that kind of heritage. I am not very proud of what is going on with the government today.

I just want to look at a bit of heritage and talk about some of the taxpayer dollars that have been going into the pet projects of governments like this one, from departments of the minister of cultural heritage.

Let us look at some of the simple little dollars that were spent and what they were spent on. A couple of hundred thousand dollars to study religious and historical practice among northern Malagasy speakers is important to the Canadian taxpayer, is it not? That is the kind of money these people spend. Those are taxpayer dollars being spent on their pet peeves. It does not make any sense at all.

• (1310)

Twenty–one thousand dollars was spent on experimental studies of interactive gestures. We can imagine what kind of interactive gestures we have for the government. It should study a few of those.

Let us find the bureaucrats who want to spend $58,000 from the department on an experiment of what it is like to work for the Dominion grocery stores. There is an important issue on which to spend taxpayer dollars. What do you have to do to pay $58,000? In the country today you probably have to earn $120,000 minimum. For anyone out there who made $120,000, or any family out there that made a combination of that, the grant that was spent on what it is like to work for the Dominion grocery stores is one whole year of that family's total income tax.

Whoever authorizes such grants as this should be fired. There is no question in my mind. If that were my organization and I found that kind of waste they would be gone. They would be history.

**Mr. Silye:** It is other people's money. They spend it like it is water.

**Mr. White (Fraser Valley West):** Let us have a look. Here is an interesting dollar spent out of a department, $10,800 to finance a poll—this is just to finance the poll; we have to find out what people think of it—to find out what Canadians thought about Christmas lights. Really, that is important.

**Mr. Silye:** On or off?

**Mr. White (Fraser Valley West):** "On or off" my colleague says. That is another study. It is only $10,800 to find out what they think about Christmas lights so maybe we can spend another $10,000 to find out what they like if they are off, and another $10,000 to find out what they are like if they are on, and if they are different sizes. The government could think of all kinds of ways to spend our money.

Although we sort of jest about it, it is kind of sick to think about what this government is doing and the government before it because there is no difference between the Conservatives and the Liberals.

**Mr. Silye:** Just the colour.

**Mr. White (Fraser Valley West):** I do not know if the Montreal Museum of Humour is still in business.

**An hon. member:** Toast.

**Mr. White (Fraser Valley West):** I hear it is toast. It probably has not made enough money but I know it had $3.3 million given to it a few years ago and that was not enough of the taxpayers' money to keep it profitable perhaps so maybe we should have given it some more. I do not know how the bureaucrats are thinking these days.

We gave $46,000 of your taxpayer money to assist artists in the presentation of music in non-traditional spaces. We really have to wonder about the logic behind this kind of thinking. Why would they give any money at all in a grant like this one? The topic is so stupid it defies any kind of logical conclusion. Perhaps we should meld that with another interactive gesture and see what we think of it.

We know Hurtig Publishers gets lots of money, or had lots of money. I do not know about recently but I know in the past it has.

Under bilingualism there is grant after grant. I asked a question in the House in the last session about the $5,000 grant to the Canadian Kennel Club. This is very interesting. I received an answer that it is all right, that it is only $5,000. That is taxpayers' money. I got a letter from the Canadian Kennel Club and it was really unhappy with the question I asked because it felt it should have the money to support its bilingualism program of whatever it was.

In the letter it told me it had a budget of around $4 million. I wrote back to it and said: "Wait a minute here. If you have a budget of $4 million why do you need $5,000 of taxpayers' money? What is the purpose?"

The real idea is that most of these organizations if not all of them do not need the money. It is being made available by governments like this so that they can spend on it for whatever reason and much of it is very much unaccountable. Do we want to preserve the ideas of the government?

• (1315)

Do we want to support the government? It is like supporting that other government from Jurassic Park. That is what it is. If the government keeps spending money the way it is doing and blowing it out the door it too will join Jurassic Park just like its brothers.

**Mr. Garry Breitkreuz (Yorkton—Melville, Ref.):** Mr. Speaker, I appreciate the opportunity to speak on this issue. Many of the questions raised here today are exactly the same as those raised by my constituents and continue to be raised by them.

They are wondering: "What is going on in Ottawa. What are they doing there? What is this government doing? We are wondering what substantive legislation is being considered". When I tell them that the government has brought a bill forward that reorganizes the department, they ask me: "What is that going to do for us? What does that mean?" They ask questions like: "Does this mean that the bureaucrats are going to keep shuffling the paper from one side of the desk to the other?" I say: "I guess it means that they are shuffling bureaucrats. What they are doing is very often unknown".

They would like to know how this improves their situation in Canada. They ask: "Is this going to save money?" We ask the government the same thing. Is this going to save money? We are met with stone silence. The government is not saving money. In fact it is entrenching government spending in ways that will make it more difficult to change in the future. Then they ask questions like: "Does this reorganization make the government

more accountable to us? Will we have more control over the way it spends money in the department?"

I ask the government: Does it do that? The government is silent because it does not. It does not give the people of Canada more control over what happens at the CBC or how these grants that my hon. friend has just listed are given out. In fact it makes it more difficult for taxpayers to have control over how this government spends its money.

**Mr. Silye:** It is the incompetent minister who hands those moneys out.

**Mr. Breitkreuz (Yorkton—Melville):** My friend has mentioned that it is the incompetent minister who hands these things out, a minister who at the drop of a hat will interfere in affairs or try to manipulate the applications of some special interest group.

People are appalled at this. They ask: "Has the government not got the message yet that we want the government to be accountable directly to the people?" The government remains silent and goes on its merry way without answering these questions.

People are not happy with what is happening here. They feel that if bills are introduced into the House they ought to be substantive and they ought to meet the needs of this nation.

Then they ask: "What's going on at that national art museum?" I say to them: "I went there for a visit. I walked through". As I viewed the various so–called pieces of art I wondered if the people of Canada could see this whether they would actually contribute directly to these paintings, this art that was displayed there. I describe to them some of the things I saw. I told them that I walked into a large room which would cost something to heat and to keep under those nice glass domes. I saw what looked to me like a piece of baling wire running from that corner to that corner. I asked the security person if they forgot to put the art in this room and he said no, that is the piece of art.

**An hon. member:** How much was it?

**Mr. Breitkreuz (Yorkton—Melville):** I do not know what it would cost to string a piece of baling wire from one corner to the other but I question that. Then I saw a toilet bowl hanging in a doorway and I thought: "That is interesting. I wonder how you use that or why is that regarded as a piece of art?" Things like this are unbelievable.

• (1320)

I had heard of the "Voice of Fire" so I looked for this painting that had cost us over $1.5 million. I walked into a quite large room and saw what I thought was a replica of this painting. I asked the security guard: "Where is the real thing?" He said: "That's it. That has actually cost us over $1.5 million". I told this to the people of Saskatchewan and they said: "Do you mean they are cutting back on health care so that we can have that sitting there?" They asked: "Why are we not being given more of a choice as to whether we want health care preserved in Saskatchewan rather than it being cut back so that it is almost inaccessible to some of the people in remote areas or that art?" I told them: "Ask your government".

We asked the government today and it cannot give us any answers. I think that is very unfortunate.

During the election people made it very clear that multiculturalism is not a priority and that official bilingualism is not a priority. They feel that the government should be looking at these areas.

When I was in the constituency last week I listened to the radio. We hear a lot about how the CBC preserves culture and so on in the province. I listened very carefully to the news reports. I realized as I did that it concentrates on certain kinds of items and in that way it can manipulate what people think about. Then I listened to the so–called balance that it is purported to have.

I heard a very good economist give a three or four minute account of what is happening in the country. I thought good for you, this is excellent. However it was given at 6.30 in the morning when very few people were listening. At 7.45 there was a long interview with someone who had allegedly been abused because of their sexual orientation. In that way they begin to manipulate what people are thinking about.

Eighty per cent of the people in my province want to hear more about certain issues but they cannot get the CBC to address them. Instead, they have to put up with a lot of things that they feel are not priorities in their lives and their society. They feel the government is trying to manipulate what is happening in this country, that it is trying to force a culture upon them that they have no control over. That is why we advocate that people who believe in certain things should pay for them. The government should not be free to use their tax dollars in any way that the elitists can and do.

I was surprised to hear the Liberals and the NDP in the House defending the fact that the elite should be making these decisions because they know better. People are appalled at this kind of attitude. It is high time that it changed. A culture that is paid for by the government tends to be very phoney. It is not a real culture. That is what people are telling me.

Many decisions are made on projects because money is there to spend on those projects. If you can apply for the money you can have the project, but if you had to pay for it yourself it probably would never take place.

My wife is of Norwegian ancestry. Her family has been here for over a hundred years. They have preserved their culture and their language. My wife is fluent in Norwegian. They have preserved these things because it is important to them. There is something real about that culture because it has not been funded by taxpayers' dollars.

My first language is not English or French. Some of you may smile and say: "We can tell that by the way you speak". We preserved our language and our heritage because it was important to us. That is the message people want to get.

Ukrainian people in my area have preserved their culture and their language because it is very important to them. I enjoy going to their gatherings and meeting with them because it is real. The government has not interfered with it. I feel that is the kind of culture we need in Canada. We do not need a culture that is imposed on us from the top, that is manipulated by bureaucrats and people who think they know better what is going on.

• (1325)

If there is one message I hope the government will get, it is that people are tired of the elite in society deciding what is good for them. If we believe in culture we should preserve it.

The government does not really understand what culture means and what people want. We should let people define their own Canadian culture here in Canada. The bill entrenches multiculturalism. It enforces official bilingualism. It preserves funding for special interest groups. People do not want that. They do not want the government misspending their money. The government is giving the impression it is doing something. The bill is symbolic of the fact there is nothing substantive happening in the country today.

**Ms. Marlene Catterall (Ottawa West, Lib.):** Mr. Speaker, this is going to be a very short intervention to reply to some of the nonsense I have heard today in the debate.

The debate has focused on what culture means to a society and to a nation. I have come to the conclusion there is very little understanding on the other side of the House when they can ask how many gallons of paint does a painting take to determine the worth of the painting.

I had the privilege and the pleasure this morning of being at breakfast with the director of the National Gallery. We were talking about "Voice of Fire". We were talking about other things too. Next year, and I am sure members opposite are not aware of this, is the 75th anniversary of the Group of Seven. I asked the director of the gallery what she thought the media reports would have been about and the outraged comments of the House of Commons would have been at the time our National Gallery was purchasing paintings of the Group of Seven, when the popular taste was pastoral landscapes in the European style. Those purchases were very unpopular and yet what is one of our great Canadian icons? The Group of Seven.

A gallery that was independent of political control 75 years ago had the foresight to recognize something uniquely Canadian in the style of Canada, something not based on imitating what was being done elsewhere.

I am not qualified to judge "Voice of Fire". I really do not know if that is the kind of painting that 75 years from now we will be extremely proud to have had the foresight to buy and have in our national collection. I hope so. I do not know.

I do know that I want a gallery that is free to buy what it believes is the best being produced. I thank the gallery for having fulfilled that role and for having preserved for us something as uniquely Canadian and valuable as the paintings of the Group of Seven, among others.

I want to make another comment. We have heard about multiculturalism today as if all it does is support cultures that are unique to specific groups. What in fact it does is build understanding among Canadians.

Members on the opposite side have demonstrated that they really do not know a lot about what they are saying because they consistently talk about certain ethnic groups which do not rely on government funding not being aware obviously that in fact those groups do rely on government funding and are quite competent in getting it.

Let me report another incident recently. I attended an award ceremony at the Boys and Girls Club in my riding not too long ago. It was a wrap up of their summer program. I saw young people whose families have been in Canada for generations and whose skins are white. I also saw young people whose families have been in Canada for less than six months, Somalians, Ethiopians, people from southeast Asia, people from all over the world playing together, working together, and getting to know each other.

• (1330)

I know that many of those Somalia youths are involved in the community to the extent that they are because of organizations like the Somali integration and settlement agency, which gets funding from the very program that the members opposite are criticizing.

They get funding because they are coming here as refugees. They have left everything behind. The majority are women with young children coming here for safety. These people do not come here with a lot. This agency gives these people coming to our country job training, language training, access to services so they have the ability not to separate themselves, but to integrate more fully and more completely into Canadian society. One of the results of that is young Somalian, Ethiopian and Cambodian children and children from all over the world I see playing together at the Boys and Girls Club in my riding.

I want to say one final word about special interest groups. The people who talk about special interest groups frankly are the biggest special interest group in the country. They are the ones who by tradition and by the practice of all our laws, our courts and all our systems are the privileged class.

If we fund certain groups in our society it is because without government support the poorest, the disabled, women, children would not have a voice in our public debate. I do not want a public debate on public issues on the future of this country that is dominated only by those who already have the wealth to make their voices heard.

I do not want the decisions we make in the House made on the basis only of opinions from those who can afford to travel to Ottawa, to write to Ottawa, to hire lobbyists, to hire lawyers and to hire accountants. I want the voices of all Canadians to be part of what we decide in the House, what we determine in our committees and what the future of Canadian society is. Canadian society is not just for the privileged few; it is for all Canadians.

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, I am pleased to have the opportunity to speak to the bill today. To begin, I would like to address the issue of federal multicultural policy. We will hear several Reformers speak against this policy and the former government's policy of multiculturalism but we will not hear the discontented backbenchers of the government side speaking their views.

There are many on the other side now who share the Reform position on multicultural policy. Multiculturalism is currently under debate at all levels of our society. Recently CBC aired two special episodes highlighting this very debate. The thrust of its broadcast was whether multiculturalism policy brings us together as Canadians or does exactly the opposite, pulls us apart.

Even a member of the Liberal Party, the party that first put forward its multicultural agenda and proposes to entrench it into the legislation, came forward to oppose multiculturalism. It is a fact that there is a great deal of support for the Reform position on multiculturalism everywhere within the House.

During this televised debate the Liberal member for York South—Weston referred to multiculturalism policy as a fraud that continues to be perpetuated on Canadians.

The member referred to multicultural policy as a policy that separates Canadians. He pressed that it is time for change. Remember this is a Liberal. The member opposite proposed that Canada dump its multicultural policy and begin to promote what Canadians have in common, not their differences.

I am pleased to see such progressive and logical thinking coming from the opposite side, as the member has come up with some very valid points.

• (1335)

It is my hope that the government will consult with all elected members in the House before it passes the legislation because Canada's multicultural policy is a fraud. Rather than take a different approach to Canada's multicultural landscape as the member has suggested, I believe the federal government should get out of the social landscaping business altogether. The government should not be funding or promoting one ethnic group over another. This is not the role of government.

A true liberal democracy simply does not try to legislate culture. Twenty–three years ago, the architect of multiculturalism, Pierre Trudeau, implemented the policy in a misguided attempt to assure the cultural freedoms of Canadians.

These freedoms were already there. Canadians were already free to nourish their own culture, speak their own language, sing their own songs, play their own music and wear their traditional clothes.

Canadians do not need government multicultural grants to practice their cultural freedoms. Canadian culture is not created or sustained, nor is it maintained through government grants. Canada is a multicultural nation not because of government policy but as a result of each individual who comprises this great country.

Multiculturalism exists regardless and in spite of government policy. Canadians do not need a song and dance fund to maintain their individual cultures. Canadians do not maintain or develop their culture through conferences or workshops or through dances or craft shows.

Culture is not something that we buy at the corner store. It is something that we learn at home mainly from our parents and our grandparents. It is an acquired attribute. It is not something that we buy.

In addition, the multiculturalism program is nothing more than a funding program for special interest groups. Last year grants to special interest groups for dances, conferences, film making, books and other miscellaneous projects totalled $25.5 million. Grants from the previous three years totalled $27 million annually.

The government may argue that $25 million or $27 million is not much in the larger scheme of things but when we are spending $100 million a day more than we are taking in, it does put it into perspective. It is a program that one, we do not need and two, we cannot afford.

We desperately require fiscal restraint. If we are going to save our social programs this government must be prepared to trim its funding. Canada cannot sustain the spending binges of this and previous Liberal governments.

Canadians are facing severe fiscal restraint with our health system and social systems deeply in trouble. The government cannot argue to maintain transfers for health care at the same levels and yet it seems determined to wander back to the Liberal spending days of the 1970s with wasteful multicultural spending.

The time has come to get with the times and show some responsibility and leadership. Canadians do not want a song and dance fund. They want jobs. They want health care. They want pensions, higher education and a clean environment.

Spending priority is not the only issue here but regardless of fiscal constraints, government should not be in the cultural policy business. It is not the business of government to ensure that Canadians maintain their cultures and traditions. That is the responsibility of the groups themselves and should not be financed with taxpayer's money.

Federal government activities should enhance the citizenship of all Canadians regardless of race, language or culture. It should be up to the provinces to choose whether they wish to promote language and culture within their individual jurisdictions.

I have another major concern. The program does not work. Even the chairman of the human rights commission admits that the program is not working. All the grants for miscellaneous conferences, workshops and dances are not achieving the intended goal. According to the human rights chair, racism is growing.

Multiculturalism policy actively categorizes people on the basis of race and countries of origin. This is wrong because it is active discrimination. Multiculturalism policy separates people on the basis of their origin instead of treating all Canadians equally regardless of race.

The Reform Party is the only party that actively promotes equality of all Canadians. It is the only party that officially recognizes that all Canadians are equal and should be treated equally.

• (1340)

We support programs that involve the elimination of discrimination and the right of individuals to participate in Confederation without discrimination. Such programs would be more logically transferred to the Canadian Human Rights Commission, as the CHRC's mandate clearly states that the commission has statutory responsibility to develop and conduct programs to foster public understanding of the principles enshrined in the Canadian Human Rights Act.

In conclusion, we oppose the current concept of multiculturalism pursued by the government and would end all funding for multiculturalism programs. Whether an ethnic group preserves its cultural background is the group's choice, not the government's.

In short, Canadians do not need nor do they want a song and dance fund enshrined in legislation.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, when I was asked if I would like to say a few words I was of two minds. This being a debate on heritage it does bring in the minister of heritage. That brings in the letter in the press today in which the minister of heritage, I think quite innocently, used his office or wrote a letter in support of a constituent asking for the support of a constituent in an application before the CRTC.

As I say, I was of two minds just how I would approach the matter because a minister of the government is still a member representing constituents. Therefore how do you balance your responsibilities as a member of Parliament representing your constituents and as a minister of the crown? What would be the fiduciary responsibilities implied in both?

My concern was further complicated because I was asked just after the election when we were all rookies, including the minister opposite, to write a letter in support of an application for a television station licence in my constituency. I did. I wrote a letter to the CRTC and asked that it look favourably upon an application. I thought about it for a while and I sent another letter in rescinding the first letter because I recognized that I did not have knowledge on either side of the issue. We hire people at the CRTC to make these decisions. These decisions should be made by the people who are being paid and who have the ability to make the decision based on fact.

Additionally other people have asked for my support in establishing or getting a licence for radio broadcasting. I wrote in support of that because in my capacity as a member of Parliament I should have the obligation to support members of my constituency and Canadians in general who come to me for help. I use my wisdom and I use my office after deciding the merits of that case.

The difference of course is that I am a humble backbencher in the third party. The minister—

**Mr. Silye:** You are a frontbencher. You are a frontliner.

**Mr. McClelland:** My hon. colleague tells me I am no longer a humble backbencher. I am a humble frontbencher in a third party very close to the door.

The difference is that a minister of the crown has a very different fiduciary responsibility than a humble backbencher of any party. This is the gist of the problem we have facing us today.

**An hon. member:** If he does not know the difference he should step down.

**Mr. McClelland:** The thing that concerns me most is that our country has suffered under nine years of almost visceral dislike and hate for the Tories who were displaced by most here in the Chamber today. You do not have to be a rocket scientist to figure it out. They were dumped by the electorate and we were elected because the Canadian people lost their trust in the people who were governing them. They felt that the people who were in power were more interested in protecting their friends, hubris, getting rich, looking after their own interests than they were in looking after the interests of the ordinary people, the people who pay the freight $10 at a time.

• (1345)

The consequence is that we were elected to the House. We have a profound responsibility. Our country is going into a time of distemper never before seen in this land. We have in the loyal opposition a party dedicated to breaking up the country. We have a third party, all but one of whom are absolute rookies. We have the Liberal Party in power, the vast majority of whom are absolute rookies. We have to use the opportunity and not squander it. We have to use it to make some very fundamental changes in the way our country is governed and the way we inter–relate one with another and the way we get things done.

Everything ministers do is based on a foundation of trust. If that foundation of trust between the electorate, the Canadian citizenry, and Parliament, those elected to lead, is broken then we lose our reason to be here. We have lost the moral authority to provide leadership to a country desperately in need of leadership.

That is the reason I asked to speak in the debate. It is not that I have an axe to grind with the hon. minister opposite. I do not in any respect. In my view this was an honest mistake made by a rookie, just as I am a rookie. When one makes a mistake it is an opportunity to learn. Rather than stonewalling, rather than saying: "Hey, I did all right. I did the right thing. You have it all wrong". He should have the courage to come to the table and say: "Look, I made a mistake. I have learned from it and it will not happen again". It should be a caution to all of us.

**Mr. Milliken:** He did.

**Mr. McClelland:** Then it becomes experience. We put it behind us and we go on from there. That is the very least we in this Parliament and Canadians in general should expect from a minister of the crown.

I would like to speak to the issue of multiculturalism and the department of heritage. Much has been said in recent times about the value of multiculturalism in Canada. We are a much stronger, much finer, much more varied and rich nation because of our multicultural heritage, because by and large people get along with each other. We respect each other for our differences.

Let me give a personal indication of what is so wonderful about our country. Perhaps it is just serendipitous that this happened to me this morning. I was walking to the House and I stopped at the Apollo Restaurant on Bank Street for breakfast. I sat down. I did not know a soul there. I was reading the paper and having breakfast. The people next to me were speaking to each other in Greek and in English. There would be four or five words in Greek, four or five words in English, a sentence in Greek and then a sentence in English. I was sitting there thinking it was marvellous that they could go back and forth in these two languages. This is part of our common culture.

• (1350)

I started chatting with them and it came out in conversation that the reason these two people were speaking in English and Greek was because they noticed that when I ordered I spoke in English and they assumed that I could not speak Greek. They did not want me to feel out of place or that they were saying something I should not know or whatever. They were trying to make me feel comfortable in the fact that I could not speak Greek.

Here we were having breakfast and talking about how wonderful it is that we have this multilingual heritage in our country and that we have it because we want it. We have it because it springs indigenously from the hearts of the people to whom it belongs. It is not something that is force fed or cultivated by the government.

As this debate unfolds, we need to draw a distinction between multiculturalism that springs naturally from the fact that our nation is built up of people all over the world and government multiculturalism that is force fed to us in order to curry favour with multi–ethnic groups. It is a very important distinction.

Therefore I would like to move:

That we add after the words Standing Committee on Canadian Heritage:

"and the standing committee report back to the House no later than June 23, 1995".

**The Acting Speaker (Mr. Kilger):** The subamendment moved is in order.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am provoked to speak in the debate today because of the misrepresentations being placed before the House by the members in the Reform Party who are suggesting that somehow the Minister of Canadian Heritage has done something wrong and therefore ought to resign his post.

I want to argue against that proposition because it is palpable rubbish and nonsense. The minister came into the House this morning and made a very clear and succinct statement, as suggested by the hon. member for Edmonton Southeast in his

most reasoned address. It is the only beam of reason we have heard from the other side of the House on this issue this day.

The hon. member for Edmonton Southeast presented a veritable feast of reason in his address because he made it very clear that the minister should come and do what in fact the minister did earlier this morning.

He came into the House. He apologized. He said he was sorry that he made an error in sending a letter. This was not the case of a minister who had been exposed having done something improper.

**Some hon. members:** Oh, oh.

**Mr. Milliken:** I say to hon. members, listen to the facts. Some of them were not here this morning when the minister made his remarks. Of course they did not have notice of it so they probably did not understand it when he delivered it. The minister came into the House and said: "Here are the facts of the case". He produced his letter of March 13, tabled it in the House, and read the letter into the record.

● (1355)

Let me read what the minister's letter says. He says he is writing about a problem and then he said: "I would be most grateful if you could give this application due consideration". Did he say special treatment? No. Did he say fancy treatment, something out of the ordinary? No. He said due consideration. Then he said: "I trust that you will keep me abreast of any developments in this matter and please do not hesitate to contact me should you require additional information", a standard letter that a member of Parliament representing a constituent would send.

If hon. members opposite will not send that kind of letter I suggest to them they are not doing their job for their constituents. Here was a minister diligently doing his duty as a member of Parliament for his constituent.

As he said, he realized that was not the thing for him to do. It came to his attention soon after when another constituent wrote, had noted the letter, and wanted to know if this was support for the application. He wrote back on September 30 and he tabled that letter in the House this morning. Hon. members opposite in their speeches often conveniently neglect to mention this. I tried to remind them in my remarks from my seat, but of course they do not pay much attention to that.

He said: "This is further to your letter of September 20" and so on. He wrote: "My letter of March 15, 1994 to the CRTC simply asked that due consideration be given to the application. It is not intended to convey support for or opposition to the application". He sent a copy of this letter to the CRTC to reinforce the message that this was neither in opposition nor in support. It was a very decent letter and he did it in a timely way.

That is what the minister did. It is not as though he sent this after there had been an exposure of the facts in the press or in the House. He did the honourable thing as soon as he realized there was some mistake. He came into the House this morning and gave this explanation so all hon. members could hear.

As I said earlier, he did not send an advance copy to the Reform Party so maybe they did not understand it. He did not send it to them last night. Maybe they had trouble reading it. I do not know what happened with the Reform Party members. However I invite them to get the blues which are available to them and read the minister's statement. Then they will agree with me that this minister has acted with complete propriety. He apologized for sending the—

**The Speaker:** Order. It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

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# STATEMENTS BY MEMBERS

[*English*]

## MULTICULTURALISM

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, on October 18 of this year the member for Swift Current—Maple Creek—Assiniboia in his speech to the House referred to today's generation of Ukrainian people as having their hands out for grants. I find this an absolute insult.

My children have attended and continue to attend Ukrainian cultural events that are totally paid for by the families and the local churches. Such comments of the hon. member do nothing to advance multiculturalism in this country.

Canadians of Ukrainian ancestry are asking for redress for the internment of Ukrainians during World War I. This is not a request for a handout but, instead, is a demand for return of property seized from these new Canadians and never returned to them after the war.

I hope this hon. member joins with us in this request for restitution of property wrongfully seized and retained by the Canadian government.

* * *

[*Translation*]

## ISRAELI–JORDANIAN ACCORD

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, yesterday, Israel and Jordan initialed a historic agreement ending a state of war between the two peoples which lasted more than 46 years. The agreement is even more exemplary because it was achieved despite provocations from extremists.

By common consent, Prime Minister Rabin of Israel and King Hussein of Jordan agreed to work together to make the desert valleys bloom again in peace.

Such an agreement is only possible if the parties persevere in their desire to improve the situation step by step so that it becomes a lasting peace.

We are pleased with this agreement, which seeks to improve the lives of Israelis, Jordanians and Palestinians. We hope that the next step will extend to Syria as soon as possible.

* * *

[*English*]

## COURT CHALLENGES PROGRAM

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, I rise today in total disbelief that this government has reinstated the court challenges program. This program is nothing more than government funding of special interest groups, which more often than not exhibit bias or promote a view that is not in accordance with the majority of society.

Perhaps even more alarming is the fact that the Liberals managed to find almost $3 million floating in some abyss to fund this wasteful program. Yet this same level of government is contemplating raising personal taxes, implementing a carbon tax, taxing RRSP contributions and doing little to fight the debt or deficit.

Our national debt is rising by $1,743 every second and is now $538,860,511,635.87.

* * *

[*Translation*]

## ENVIRONMENTAL ASSESSMENT ACT

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, the Canadian Environmental Assessment Act and its amendments seek to improve key elements of the federal process. The Act contains mechanisms whereby different levels of government can harmonize their processes through administrative agreements and reduce duplication and uncertainty.

These mechanisms are intended to facilitate the delegation of environmental assessments to the provinces and thus to make things easier for developers. Almost all the provinces in Canada are now negotiating harmonization agreements with the federal government. I sincerely hope that the Government of Quebec will do the same and negotiate a harmonization agreement as soon as possible, so that Quebec developers can enjoy a level of service comparable to that available in the other provinces of Canada.

*S. O. 31*

## BOVINE SOMATOTROPIN

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, on August 17, on the recommendation of the Standing Committee on Agriculture and Agri–Food, the federal government obtained from manufacturers of BST—bovine somatotropin—in Canada a promise to voluntarily defer the sale and use of BST until July 1, 1995. I was delighted to learn that the Government of Canada has just appointed a seven–member task force that will also review the safety of recombinant bovine somatotropin for animal and human health.

I wish to bring to the attention of this advisory group and of the Minister of Health that, contrary to what was said and written, some studies show that BST alters the nutritional quality of milk, producing more fat and less protein. I am concerned about the impact this change in the percentage of milk components might have on the future health of our young consumers.

* * *

[*English*]

## PSORIASIS AWARENESS MONTH

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Mr. Speaker, October has been proclaimed Psoriasis Awareness Month.

One to three per cent of the Canadian population suffer from this chronic and recurrent skin disorder. Although not contagious, the impact can be disruptive physically emotionally, socially and economically. Health care costs are enormous. In addition, sufferers pay out thousands of dollars for over the counter and prescription drugs.

During this month chapters of the Canadian Psoriasis Foundation are hosting public information activities across the country explaining the disease, its treatment and recent advances. We commend the many volunteers of the Canadian foundation for their diligent attention and for their caring help to fellow Canadians.

* * *

[*Translation*]

## HUMAN RIGHTS

**Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ):** Mr. Speaker, it is really against his will that the Prime Minister finally agreed to raise the issue of human rights during his trip to China, but not officially, quietly, in private, above all, not in broad daylight. To do more, he tells us, would be "unrealistic".

In fact, if we did more than that, according to him, a small country like Canada would become a laughing stock. How many more prisoners of conscience will have their basic rights violated during the Prime Minister's trip? That, he would rather not know.

• (1405)

Some of Canada's prime ministers managed to convey the people's values; they showed vision and dignity by embracing universal values; they gave a soul to our foreign policy. Then, Mr. Speaker, there are the others.

* * *

[*English*]

## CANADA COUNCIL

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, the Canada Council operates under the Minister of Canadian Heritage.

The council granted Hilarey Mackey and Shelly Wine $16,000 to produce the video "Fury of The Sound" even though these women were under criminal contempt charges for the very activity that was to be the subject of the video: criminally blocking forestry workers from going to work in Clayoquot Sound. Mackey and Wine were each sentenced to 21 days in jail on October 6 for criminal contempt.

The minister states he does not have any authority over the awarding of these grants and the director of the Canada Council defers to a system of evaluation by peers. Canadian taxpayers are fed up with organizations that use their tax dollars to foster the destruction of their lifestyle. When is the minister going to change legislation in his department?

* * *

## CHILD ABUSE

**Ms. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, October is known as Child Abuse Prevention Month.

Child abuse is the most disturbing problem facing Canadian society today. It is not a new problem but as a society we recognize that violence against children whether it is physical, sexual or emotional is a problem which concerns us all.

For too long children have been silenced by fear and isolation and by attitudes which deny the seriousness and extent of the problem. Child abuse can no longer be tolerated in Canada. It is time to act against child abuse in all of its forms. We must challenge the attitudes which devalue our children. We must intervene when we know that a child is being threatened.

As the federal government we are committed to stopping child abuse through the family violence initiative. Working in partnership with community and national organizations, corporate and voluntary sectors and all levels of government we have developed prevention and intervention strategies to protect children and families.

Our children can wait no longer. They are the most vulnerable members of our society and we must act now to protect them.

* * *

[*Translation*]

## VALUE–ADDED TAX

**Mr. Paul DeVillers (Simcoe North, Lib.):** Mr. Speaker, it is high time that Canada had an integrated federal–provincial value–added sales tax. The current system is a huge burden on the government and on business and is very unfair to consumers.

[*English*]

I applaud the finance minister's plan to create an integrated national sales tax that would have a lower operational cost, a lower rate in most provinces and would still exclude items such as basic groceries, prescription drugs and medical services.

[*Translation*]

Canadians want to end political pettiness between the various levels of government. They want an end to duplication and they especially want an end to the GST.

[*English*]

The federal government's proposal reflects extensive discussions held with the provinces over the summer. Given the state of finances at all levels of government and the ever diminishing consumer purchasing power, I call on the provinces to quickly adopt the federal government's proposal.

Canadians want to see an integrated national sales tax, not just hear about it.

* * *

## ROSE CHARLIE

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, I would like to congratulate Rose Charlie, the grand chief of B.C. on receiving one of the Governor General's awards last week. The awards are given in commemoration of the Persons case, the decision of the British Privy Council which declared Canadian women to be persons.

Rose was given the award for over 25 years of public service and for her outstanding contributions to improving and advancing the life of natives, aboriginal women in particular.

As a founding member of Indian Rights for Indian Women, Rose helped change discriminatory legislation that deprived aboriginal women of their status when they married non–Indians or American native men. The change has enabled thousands of women and their children to regain their status. She also helped to start the Indian Homemakers Association of B.C. in the late

1960s when there were not any native organizations in the province.

Rose remains active in the community today serving as president of the Mission Friendship Centre and participating in numerous organizations.

Please join me in recognizing the accomplishments of Rose Charlie.

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[*Translation*]

## REGIONAL DEVELOPMENT

**Mr. Jean Landry (Lotbinière, BQ):** Mr. Speaker, Ottawa is playing some weird and wonderful games with federally–funded regional development agencies in Quebec. It has restructured the FORDQ to increase its visibility in the regions on the eve of the referendum, while it reduces funding for regional development. Even worse, these cuts are being imposed arbitrarily. Business development centres, which are on their way out, were able to create a job for $5,000, compared with $100,000 in the case of the federal infrastructures program.

• (1410)

Quebec should be given responsibility for regional development, which would get rid of the current bureaucratic mess and the haphazard cutbacks proposed by the federal government.

Only Quebec can consolidate the resources of all the agencies that are active in the regions. It would be a real one–stop service.

* * *

[*English*]

## PRIME MINISTER OF CANADA

**Mr. Ted White (North Vancouver, Ref.):** Mr. Speaker, according to a recent Gallup poll the Prime Minister is more popular than former Prime Minister Pierre Trudeau was at the time of the October crisis.

**Some hon. members:** Hear, hear.

**Mr. White (North Vancouver):** Listen to that applause, Mr. Speaker. Government members had better make the best of it while they can. Even though the Prime Minister is presently at 61 per cent popularity, guess who holds the record? Brian Mulroney. He peaked at a 62 per cent popularity rating in 1983.

Well the honeymoon for this Liberal government is over. The scandals are starting to surface. Reform MPs are looking forward to helping the Prime Minister reach the present day popularity rating of Mr. Mulroney. I think that might just be right off the bottom of the scale.

*S. O. 31*

## ABORIGINAL AFFAIRS

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, in addition to his apparent inability to discharge his general duties and responsibilities, the Minister of Canadian Heritage has failed to bring a sensitivity of Canada's First Nations to his department.

Earlier this year Heritage Canada published an otherwise fine publication for youth entitled "The Great Canadian Adventure". It is a trivia game that asks young people questions about Canada and in doing so continues to state as fact that Quebec and Prince Edward Island were discovered by Europeans. This language is no longer appropriate.

At the same time the department has just awarded a half million dollar contract to develop curriculum materials pertaining to aboriginal people in Canada to a Montreal company that has no cultural knowledge or expertise to handle the contract. This is disturbing since the cultural and technical expertise does exist at the Saskatchewan Indian Cultural Centre in Saskatoon, a group that was vying for the contract.

First Nation peoples deserve better from the minister responsible—

**The Speaker:** The hon. member for Brampton.

* * *

## INDIA

**Ms. Colleen Beaumier (Brampton, Lib.):** Mr. Speaker, earlier this week the Minister of Foreign Affairs met with the home affairs minister for India to discuss many important issues, including the human rights situation in that country.

Many Canadians are concerned with current human rights practices in India. After repeated refusals to co–operate with non–governmental organizations attempting to assess the human rights condition in India, the Government of India allowed Amnesty International to conduct studies in the city of Bombay earlier this year.

As Canadians we must be concerned when a human rights organization is restricted in its efforts to assess the human rights conditions of any country. I was pleased to learn during Question Period the other day that the Canadian government has made representation to the Government of India on behalf of Amnesty International so that more thorough studies may be conducted.

It is time that Canada took a definitive stand in its relations with India and called for an open policy in that country with respect to human rights. As the Indian economy continues to grow at a very rapid pace, Canadian trade relations with India will continue to grow closer. Now is the time to insist—

**The Speaker:** The hon. member for Waterloo.

*Oral Questions*

### COMPUTER TECHNOLOGY NETWORK

**Mr. Andrew Telegdi (Waterloo, Lib.):** Mr. Speaker, I am pleased to inform the House of the visit to Ottawa today of 14 CEOs representing a cross–section of a growing, vibrant information technology sector from the federal riding of Waterloo. They are part of the computer technology network in Canada's technology triangle.

The computer technology network is made up of over 125 companies employing 5,500 people and with annual revenues in excess of $600 million. Sixty per cent of their sales are derived from exports with expenditures on research and development close to $100 million annually. More than half of the 5,500 employees have been hired in the past two years.

As entrepreneurs and leaders in one of Canada's hotbeds of technology with strong connections to the University of Waterloo, these firms represent the very best that Canada has to offer to the new economy. It is companies like these that assure Canada's present and future prosperity.

* * *

• (1415)

### AIRSTRIPS

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, I have been advised that documents within Parks Canada recommend the permanent closure of the Banff and Jasper Park airstrips. This is another example of the heritage minister's incompetence.

These grass airstrips are vital to the safe air transportation of local pilots through the main mountain pass corridors. Furthermore, these airstrips are maintained primarily by local pilots.

Under the department's existing recommendation, local pilots who encounter bad weather or equipment failure would have to land their aircraft on the main highways. That is stupid.

The private pilots need to be considered. In the name of public safety and common sense, I urge Parks Canada to trash this proposal.

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## ORAL QUESTION PERIOD

[*Translation*]

### CRTC

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, it is now common knowledge that a member of cabinet, in this case the Minister of Canadian Heritage, intervened directly with the CRTC to support an application for a radio licence, at the request of the party concerned. This was done in the form of a letter sent to the chairman of the CRTC, the regulatory body responsible for issuing licences.

My question is directed to the Prime Minister. Does he consider such action acceptable and appropriate, considering the obligation incumbent on all ministers to respect the autonomy of judicial and quasi–judicial bodies?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I discussed the incident with the minister who, like all members of this House, is the member of Parliament for his riding. All members must be available to their constituents and try to provide the services expected of a member.

In this particular case, all the minister did was bring this application to the attention of the chairman of the CRTC, with the comment: "This application should receive due consideration. To me, this means: Could you take care of this dossier, and if there are any problems, if I can be of any assistance as the member for Laval, fine.

Subsequently, when his letter was interpreted as a letter of support, as soon as the minister heard about this, without any pressure from anyone, he immediately wrote to this person, and a copy was sent to the commission to make it clear he had not supported the application in any way. He had simply asked the commission to do its job.

This is always a problem for ministers. The Hon. Leader of the Opposition must have had that experience himself. A minister is also a member of Parliament, and we have a duty to represent our constituents without influencing bodies like the CRTC.

**Hon. Lucien Bouchard (Leader of the Opposition, B.Q.):** Mr. Speaker, the Prime Minister has been unconscionably irresponsible in his attempts to downplay the seriousness of his minister's action. How can he claim it was the member of Parliament who took this action and not the minister? How could the chairman of the CRTC overlook the fact that the letter was sent by a member of Cabinet who also happen to be his own minister?

Does the Prime Minister not agree that the CRTC is a quasi–judicial body that, as such, should not be subject to any interference or pressure from the minister?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I could not agree more, and if the minister acted as the member for Laval when he asked the commission to do its job, it was not undue pressure. The minister himself said in the House this morning that perhaps he should have acted differently. Everyone makes honest mistakes, and he corrected his mistake as soon as possible.

In the circumstances, after checking with my advisers, I concluded there was nothing here to justify changing the membership of my cabinet.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the Prime Minister knows the precedents. They are immutable and inescapable. A minister who fails to respect the autonomy of a judicial or quasi–judicial body must relinquish his post. The present minister of Foreign Affairs and the present member for Sherbrooke know this rule and had to resign because of it.

My question is directed to the Prime Minister. Does he realize that he is guilty of dereliction of duty if he does not immediately demand the resignation of the Minister of Canadian Heritage? Does he not realize it is a matter of honour and integrity?

• (1420)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have acted responsibly. I have eighteen years experience as a minister, and I have seen other complex situations. As for this one, I think the minister made it clear that he had made an honest mistake and corrected it in short order.

I am surprised to see the Leader of the Opposition in such a furor, when his head office in Quebec summons its bureaucrats and tells them to knuckle under and change their political views if they want to keep their jobs.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, the Prime Minister downplays the action of the heritage minister by claiming that the letter to the Chairman of the CRTC is not a letter of support. Yet, this is precisely what the CRTC understood and, in fact, its secretary–general wrote to the minister to thank him for what he referred to as a letter of support.

Does the Prime Minister not realize that his minister's interference is compounded by the fact that it was directed at an organization whose independent status is under the protection of the minister and that, consequently, the heritage minister was all the more guilty?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the minister's letter is very clear. It says:

[*English*]

"I would be most grateful if you could give this application due consideration". Yes, due consideration. You are right.

[*Translation*]

You give this application due consideration and make a decision.

Later, when told that his action had been interpreted as interfering with due process, the minister said:

[*English*]

It is not intended to convince support for or opposition to the application.

[*Translation*]

So, it is very clear in my mind that the minister acted the way a member of Parliament should, in that he tried to represent the interests of one of his constituents whom he had never met before.

I represent the riding of Saint–Maurice; I was a minister for 18 years and I have now been Prime Minister for one year. Every time my constituents, who have been voting for me for 25 years, have problems, I always give them due consideration.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, the Prime Minister said this morning that he would not be as lenient towards other ministers guilty of similar actions.

How can the Prime Minister recognize the seriousness of that interference on the heritage minister's part, and not have the courage to impose the sanction he deserves, that is to expel him from Cabinet?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I reviewed the issue, I consulted experts in my office and in the government, and I have come to the conclusion that, under the circumstances, the hon. member can remain Minister of Canadian Heritage and keep serving Canadians.

[*English*]

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, when this government was elected the Prime Minister promised a new era of integrity, including a code of conduct for ministers and an ethics counsellor.

I ask the Prime Minister, in ushering in this new era of integrity specifically what guidelines were given to cabinet ministers in regard to communication with quasi–judicial regulatory bodies like the CRTC?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is very simple. A minister should not interfere or put pressure on anybody like the CRTC. He can, and it is his duty, as you would do for your constituents—

**The Speaker:** Order. My colleagues I would ask you to please address the Chair in all of your questions and answers.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, for one thing I am not a minister and not in the same position as the hon. minister.

There is a simple guideline that applies in these cases and it is a most elementary one. It is understood in most jurisdictions. That is that ministers do not communicate with quasi–judicial regulatory bodies except in three ways: through statute, through orders in council, and through public formal submissions to that body. They do not communicate through telephone calls or casual conversations or casual letters on behalf of applicants or interveners.

• (1425)

Can the Prime Minister assure this House that that simple guideline, which is understood in most jurisdictions, was given to the ministers of his government, including the Minister of Canadian Heritage?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I explained that every cabinet minister is a member of Parliament. When you are in your riding on Saturday, Sunday or Monday receiving your constituents you have to receive them. In this case, this person asked his member of Parliament if he would make sure that his application would be considered, and he just asked the CRTC to do exactly what is their duty to do. He did not put apply pressure. He just asked them to consider this application, as it was his duty to ask as a member of Parliament.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, I wonder if the Prime Minister read all of the letter that the minister sent to the chairman of the CRTC. In his last paragraph he said this: "I trust that you will keep me abreast of developments in this matter and please do not hesitate to contact me should you require additional information".

What was the minister thinking of? Was he contemplating entering into an ongoing dialogue with the chairman of a regulatory authority over an application?

Is the Prime Minister really saying that this type of activity is acceptable? Will he not ask the minister to resign?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** According to the House of Commons circumstances the minister has explained what he has done. I said that he made an honest error in sending—

**Some hon. members:** Oh, oh.

**Mr. Chrétien (Saint—Maurice):** No, he did it. When he realized that it was interpreted as trying to apply pressure he clarified it on his own without pressure from anybody from anywhere. He said to the commission: "Do not interpret that as wanting to support or oppose this application" and that he was just asking them to look at the application and render the judgment that they have to render under the law.

[*Translation*]

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, my question is for the Prime Minister.

In his letter to the CRTC, the Minister of Canadian Heritage wrote that he wished to be kept abreast of developments in the matter. Does the Prime Minister not realize that in so writing, the Minister of Canadian Heritage is putting pressure on the CRTC to issue a licence?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I think that the hon. member should read the letter that the minister sent. When he heard that his action was being interpreted as bringing pressure to bear, he made it clear to the CRTC that he had not intended to support or oppose the application, but that he had merely referred it, as a member of Parliament, to the Commission.

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, in his letter on ministerial letterhead, the minister goes even further, offering to provide the CRTC personally with additional information on the licence application.

Has the Prime Minister really read this letter, and if so, how can he not conclude that the CRTC would assume that he was writing in his capacity as minister?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, perhaps the minister should have used the letterhead he keeps for his correspondence as the member for Laval West, just as I could use a letterhead identifying myself as the member for Saint–Maurice. But everyone knows very well that Jean Chrétien is the Prime Minister, and if I used a different letterhead, people would perhaps find it a bit ridiculous.

I did indeed read the original letter and the letter of explanation. It was an honest mistake on the part of the minister and he took corrective action himself without any pressure from anyone. Under the circumstances, I think that it is my responsibility to declare the matter closed at this point.

I consulted the government's ethics counsellor and one I appointed myself, and both confirmed that I had made the right decision in this matter.

• (1430)

[*English*]

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

The CRTC received two applications for a 24–hour Greek language specialty service to be played on radio. The first is by CHOM from Montreal and the second was by a Mr. Daniilidis in Telemedia.

On May 5 of this year the CRTC rejected the CHOM application. On March 15 the Minister of Canadian Heritage intervened by sending a letter of support for the application of Mr. Daniilidis.

The minister's intervention supporting the second application came prior to the rejection of the first application. How can the minister deny that his intervention did not influence the CRTC decision?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the letter I sent to the CRTC was the letter of an MP designed to ensure that a constituent received due process.

I attach great importance to my role as a member of Parliament. I am sure that my colleague feels the same way when she has constituents coming to visit her constituency office. She takes account of what they are requesting.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, the issue is clear and the minister did not answer my question.

My supplemental is for the Prime Minister. The Minister of Canadian Heritage has stated in the House that the CRTC is a quasi–judicial agency and that the Canadian government, including the Minister of Canadian Heritage, should not interfere in the process.

His current action is an obvious and flagrant breach of the judicial principle. Will the Prime Minister now demand the resignation of his minister?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I said earlier that I would look into the matter very carefully. I have consulted those who have responsibility in the matter.

The minister made an honest error. He corrected it immediately without any pressure. It is one of those things. Every member of the cabinet is confronted with the same problem. Some constituents write to me about problems in every department and I have a responsibility over every department. I send requests to ministers and ask that they be looked into. It is part of my job as the member of Parliament for Saint–Maurice.

In this case, I concluded after consultation, as explained to the House, that there was no need for a resignation.

[*Translation*]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Prime Minister, who has told us repeatedly over the past year that he attaches the utmost importance to the integrity of his ministers, is now turning a blind eye to a very serious mistake on the part of the Minister of Canadian Heritage.

How can the Prime Minister be taken seriously when, at the first opportunity to come his way, in view of such a serious mistake, he chooses to forgive and forget rather than enforce his code of ethics? Clearly, the Prime Minister is not equal to the situation.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I said that I had consulted the government's ethics counsellor who told me that the minister had been careless but had taken corrective action himself as soon as he realized that sending the letter was being construed as interference. It was put in very clear terms. Under the circumstances, I accepted this piece of advice as well as the explanation provided by the minister. I believe that he has done his job as a member of Parliament.

Some people say that MPs who do not do their job as MPs should be relieved of their duties. I find it somewhat surprising that a member who insists that MPs should do their job would expect MPs who are ministers as well not to do their job as MPs.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Prime Minister hides behind the advice of his advisors. But they are not the ones who have been elected. He should assume his responsibilities.

• (1435)

Are we to understand from the decision of the Prime Minister of Canada that he puts personal friendship above the integrity of his Cabinet?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I take full responsibility for this decision. Never did I attempt to evade my responsibilities in making this decision. In response to a question, I said that I could have not requested any advice, but chose to do so and was told that, under the circumstances, it was totally acceptable, and I take full responsibility for that.

Again, I find it somewhat surprising to hear the Bloc Quebecois come here and talk about integrity when employees are blackmailed by its parent organization to retain their jobs. What is going on in Quebec City is a disgrace. It is embarrassing!

[*English*]

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, first we hear the Prime Minister say that he was making a representation as an ordinary MP. Then in the next breath the Prime Minister said: "Well, it was an honest mistake".

We want the true answer to this. Was it representation or was it a mistake?

**The Speaker:** Order. We must presume that our word will be taken at face value in this House. I do not know that the truth should be questioned like that. Perhaps the hon. member could rephrase the question.

**Miss Grey:** Mr. Speaker, the Minister of Canadian Heritage claims that he wrote the letter to the CRTC on behalf of a constituent to ensure that he received "a fair hearing and due consideration".

He also claims he had absolutely no intention of influencing the CRTC. Does the minister have any reason to believe that the CRTC would not give his application a fair hearing and due consideration unless he personally wrote them a letter?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I have the fullest confidence in the CRTC. The CRTC is an arm's length agency, which I respect, as I stated in this House on several occasions when some members of the

opposition were suggesting that I should interfere in its operations.

When there was an indication that the letter I sent could lend itself to misinterpretation, I quickly made arrangements through a second letter to make sure the original meaning was understood.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, this gives new meaning to the phrase "the six month's hoist". Improper ministerial influence is apparent when only one application to the CRTC is favoured with a personal introduction by the Minister of Canadian Heritage on ministerial letterhead.

This morning the minister said that he "never for a moment had any hesitation or misunderstanding about my role or responsibilities as a minister".

If that is the case then he knowingly and grossly violated that understanding by favouring this application. For his incompetence and his incredible lack of judgment, will this minister resign?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, no I will not.

* * *

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, my question is for the Prime Minister. None of the government ministers was able to confirm that no spying was done on members of the Quebec government and on the Quebec sovereignty movement. Their ignorance is probably due to the fact that the Communications Security Establishment reports directly to the Prime Minister and to him alone.

Can the Prime Minister assure us that members of the Quebec government and the sovereignty movement were not spied on by the CSE?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Privacy Commissioner conducted an investigation to determine if there had been any wrongdoing and he reported to the government that nothing wrong was done. The commissioner is still investigating the matter. He has a duty to tell us if this organization illegally monitored the conversations of Canadian citizens or spied on them.

As far as I know, it was not done and I say to the House that I do not want this to be done because we do not need this in a democratic society.

• (1440)

The commissioner will submit his report. I did not appoint him; he has been in that job for a very long time. I think that he is a competent man, and I am sure that if there has been abuse in this area, he will notify me and I will act accordingly. So far, I have seen no evidence that anyone was spied on illegally in Canada, at least since I have been Prime Minister.

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, how can the Prime Minister claim that his government has nothing to hide when his Minister of Defence refuses to release any information on the CSE's mandate, activities and budget, and even refuses to give the name of its director, even though it appears in the government telephone directory?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, if the name appears in the telephone directory, it is not hard for Canadians to find out who he is, it is no secret.

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## BILINGUALISM

**Mr. Martin Cauchon (Outremont, Lib.):** Mr. Speaker, my question is for the Minister of National Defence.

Everyone here knows how important it is to make the Royal Military College in Kingston bilingual.

Can the minister tell us what he intends to do to really make this college bilingual and then to have this principle of bilingualism respected and maintained?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I wish to thank my colleague for his question. It is a legitimate one. I must reassure him of the importance I myself attach to this subject, especially making the Canadian Forces bilingual, including the Royal Military College in Kingston.

I would like to inform the House that I have appointed a special committee to review and monitor the bilingualization of the Royal Military College in Kingston, with three top–flight members, including the former commander, General Émond, the former principal, Roch Carrier, Dr. Paule Leduc of the Privy Council, and myself as chair. This committee will make recommendations on all the aspects raised by the hon. member.

* * *

[*English*]

## CRTC

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, I do not think the Prime Minister looked carefully enough. In support of his application to the CRTC is a letter from the Greek National Bank. I will just quote from that letter.

"Any services extended towards Mr. Daniilidis will be greatly appreciated". This letter also comments on how honest and capable the applicant is.

Now this same Greek National Bank is listed as a contributor to the campaign of the Minister of Canadian Heritage.

**Some hon. members:** Oh, oh.

**Mr. White (Fraser Valley West):** I would like to ask the Minister of Canadian Heritage whether he maintains that this entire affair is still above board?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Yes, Mr. Speaker.

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, the answer was so short I must have missed it. I presume he said yes.

In an intervention letter complaining that the same type of application was turned down only four months previously, there were serious allegations of impropriety on the part of the applicant, specifically that he failed to report under oath his complete holdings in a communications company when he declared bankruptcy in July 1992.

Could the minister explain how this applicant, who he supports, cleared his name from the bankruptcy file in only one year and surfaced as a major shareholder of a new company?

**The Speaker:** My colleagues, I am not sure that the thrust of the question deals with the responsibility. The question should be directed to the administrative responsibility that this minister holds. I rule that question to be out of order.

* * *

• (1445)

[*Translation*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Michel Bellehumeur (Berthier—Montcalm, B.Q.):** Mr. Speaker, my question is for the Prime Minister.

The latest events concerning the Communications Security Establishment have highlighted the lack of external control over the activities of this federal spy agency. It is completely unacceptable that the CSE, with nearly 2,000 civilian and military employees and an annual budget of over $200 million, is not subject to any external control.

In a democratic society like ours, how can the Prime Minister accept spending over $200 million a year on espionage activities without making CSE officials accountable to the public?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Minister of National Defence is answerable to the House for such questions.

Earlier, I answered the question of whether Canadian citizens are subject to illegal espionage. The Privacy Commissioner is investigating. A report a few years ago said that they were not. I hope that the same positive report will come out of this investigation. As for the structure of this commission, it answers to the House through the Minister of National Defence, who must defend his budget estimates before the House of Commons.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, perhaps the Prime Minister should reread some answers which his minister gave on this subject.

I shall ask my second question. How can the Prime Minister refuse to set up a real external control mechanism for the CSE's activities, when the Liberal Party in opposition barely five years ago demanded just such a system to control the CSE?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we are looking into this situation now. It is something that has come up recently. The minister said that it was possible, but people must also understand that this kind of activity concerns what goes on outside our country, and helps to ensure that terrorist acts do not occur in our society; various governments throughout the world exchange information so that all societies in the world can protect one another.

I think that we must do so in a reasonable manner, in co–operation with the other levels of government. If there were a way to find an acceptable control mechanism, I would really like to do so. For now, I do not have the solution, but if I can find it, I will be pleased to submit it to the House of Commons.

* * *

[*English*]

## CRTC

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, the words honesty, openness and integrity appeared in the red book in the last federal campaign, as they did in the Reform Party's blue book for three years longer. We are trying desperately to encourage this government to walk the talk.

I would like to read from the ethics principles that are in place: "Public office holders should not step out of their official roles to assist private entities or persons in their dealings with the government where this would result in preferential treatment to any person".

My question for the Prime Minister is does he believe that in the case of the subject today with the Minister of Canadian Heritage this principle is being violated?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have clearly explained what happened many times to the House. I came to the conclusion that the minister sent a letter as a member of Parliament. When it was interpreted by some people to be a recommendation, he explained clearly to all concerned that was not his intention. He corrected himself

without any pressure from anybody when he realized that his letter had caused some confusion.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I have no choice but to interpret that answer as meaning that the Prime Minister does not believe the principle was violated.

Could we then ask the Prime Minister, in order to bring some level of confidence to the people of this country that things are going right, that the ethics counsellor should now be asked to conduct a full and open investigation, making the results public in this House as well as to all Canadians? Will the Prime Minister undertake to give the ethics counsellor that authority today?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor has informed me that he is satisfied with the conclusion I have come to at this time. I do not know what else is needed at this time. He has reported to me, as it is his responsibility, and I have reported that to the House of Commons.

* * *

• (1450)

## TOURISM

**Ms. Bonnie Brown (Oakville—Milton, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

Yesterday in Vancouver in a speech to the Tourism Association of Canada the Prime Minister announced the creation of the Canadian Tourism Commission and a substantial increase in funding to promote tourism.

Will the minister tell this House what these initiatives mean for job creation and economic growth in my riding and across the country?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, I think it is important that we in the House focus not just on the importance of tourism but on the effect it has on job creation throughout Canada.

This announcement means that the federal government is back in the business of selling Canada as the world's best tourism destination. It means jobs for Canadians. It means improvement in our current account balance and even the editorial writers at the *Financial Post* today said: "The federal government needs not only to spend less, it needs to spend smarter. An example of smarter spending is Ottawa's decision this week to bolster its support for the tourism industry".

* * *

[*Translation*]

## REGISTERED RETIREMENT SAVINGS PLANS

**Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ):** Mr. Speaker, my question is for the Prime Minister. In spite of the election promise made by the Prime Minister not to increase taxes, the Minister of Finance, through irresponsible statements, and particularly since yesterday, lets the uncertainty persist regarding the possibility that RRSPs will be taxed. Yet, all agree that such a measure would be irresponsible, despicable as well as a step backward.

Will the Prime Minister eliminate the uncertainty that prevails by pledging not to tax RRSPs?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Minister of Finance is doing something that has never been done previously, before a budget is tabled. He is holding vast consultations with Canadians. Everything is subject to review. There may be people who favour that option. I do not know. Once this consultation exercise is completed, the minister will have all the necessary information to prepare a budget with a very clear objective: To create jobs and to reduce the deficit.

**Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ):** Mr. Speaker, the Prime Minister does not realize that his Minister of Finance is himself responsible for that uncertainty and that unacceptable situation. Yesterday morning, RRSPs were not going to be taxed; in the afternoon, the minister did not know for sure, while in the evening there was a possibility that RRSPs might be taxed. This is irresponsible on the part of the government.

If the government really wants to show taxpayers that it is serious about reducing spending and not increasing taxes, why does the Prime Minister refuse to formally pledge that he will not raise taxes and that he will not tax RRSPs? The Prime Minister must fulfill his promise!

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have to wait. The budget will be tabled in February, as is the case every year. The answer will then be known. In the meantime, the Minister of Finance is doing his homework. I think it is a very good idea to consult people and not rule out any solution. Let us not forget that some people complain that our tax system is not always adequate and is sometimes unfair. The minister is considering the whole issue of taxation. Moreover, he is inviting all Canadians to make representations. For example, Mr. Battle, who works in the field of social policy in Canada, appeared before the committee yesterday and said that the government could go ahead with its reform but should also look at the taxation issue to ensure that the system is fair to all Canadians.

* * *

[*English*]

## CRTC

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, there are still a lot of unanswered questions relating to the Daniilidis application.

The Minister of Canadian Heritage took six months to clarify his intervention to Mr. Daniilidis' application. When did the Prime Minister learn of the intervention by the Minister of Canadian Heritage?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, at the beginning of this month.

• (1455)

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, in 1978 John Munro called a judge on behalf of a man being tried for an offence. He was forced to resign from the cabinet because this was in violation of ministerial rules of conduct established by Prime Minister Trudeau at the time.

Will the present Prime Minister uphold the ethical standards that were applied by Prime Minister Trudeau and ask the Minister of Canadian Heritage for his resignation?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I explained exactly the situation. It is not the same situation at all. I looked at this situation with the documentation that is in front of the public. The minister acted as soon as he learned that his letter created the impression that he had tried to influence the case. He clarified it very clearly in unequivocal terms. I am satisfied that he has done in the circumstances what had to be done to clarify it to make sure there was no ambiguity.

* * *

[*Translation*]

## SAFETY OF BLOOD SUPPLY

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, my question is directed to the Minister of Health. Mr. Justice Krever will give groups represented before the commission only ten days to formulate comments and make recommendations and only two days to question the experts, after the report on the blood supply system is tabled.

In the public interest and in order to give groups represented before the Krever Commission a chance to give this report some careful study, will the minister agree to ask Mr. Justice Krever to give the groups more time to look at the details of the report?

[*English*]

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, I am surprised at the question. We have just had a series of questions based on interference. Now the Bloc asks me if I will intervene with a judge.

No, I will not. The Krever commission is a judicial inquiry. Mr. Krever did ask for an extension of his time, did ask for additional moneys to study the blood supply system and we did give him the additional moneys and the additional time in order to do a very good job in studying the blood supply system in Canada.

## CRTC

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, earlier this morning the Minister of Canadian Heritage tabled a letter that he wrote to Mr. Pattichis regarding an application to the CRTC. That letter was in response to a letter he received on September 20.

I wonder whether the minister would table that letter and any other communications he had regarding this case.

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the letter addressed to me of course is privileged by the writer but I will be in touch with him. If he agrees this will be tabled.

**Mr. Simon de Jong (Regina—Qu'Appelle, NDP):** Mr. Speaker, my question is addressed to the Prime Minister.

In this age of government cutbacks and free trade agreements and rapid technological change Canada needs a strong minister to protect and promote our cultural heritage.

This latest mistake, as the Prime Minister described the actions of the minister of heritage, is further proof of an alarming incompetence by the minister and his office.

Will the Prime Minister ask the minister of heritage to do the honourable thing and resign?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** No, Mr. Speaker.

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## INFRASTRUCTURE

**Mr. Reg Alcock (Winnipeg South, Lib.):** Mr. Speaker, my question is for the President of the Treasury Board and the minister responsible for the national infrastructure program.

We have heard many members opposite suggest that the national infrastructure program is simply filling potholes in the nation's highways.

As this is Technology in Government Week, I would like to ask the minister if he could tell us what the infrastructure program is doing to build the electronic highway for the next century.

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, fully two–thirds of the infrastructure program are traditionally roads, sewers and sidewalks and these are projects that have a long term payback in our communities in terms of attracting additional investment dollars and improving the quality of life. We also are helping to fund information highway projects.

Some $27 million of infrastructure money is going into high technology infrastructure mainly in our school systems in New Brunswick, Saskatchewan, Manitoba and Ontario. It is not only helping in terms of better communications but it is helping to improve the education system to help prepare our young people for the future.

* * *

• (1500)

## POINTS OF ORDER

OFFICIAL REPORT

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, I rise on a point of order and draw to your attention the official *Hansard* debates for Tuesday, October 25, 1994. On page 7178 is my member's statement on national parks. The first sentence of the last paragraph states:

> The premier of the province of New Brunswick has quietly increased over 1,00 different fees—

This is incorrect. What I actually stated was "1,000 different fees". In the French version of the *Hansard* for the same day my statement was recorded correctly. I offer this as a correction and I trust that members will concur.

**The Speaker:** We will look into this request.

* * *

[*Translation*]

## BUSINESS OF THE HOUSE

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I would appreciate it if the Leader of the Government in the House would announce the business of the House for the next few days.

[*English*]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, I wish to present the weekly business statement. When you call Orders of the Day, we will commence the second reading debate on Bill C–57 regarding the World Trade Organization.

Tomorrow we will start with Bill C–36 regarding the Split Lake agreement. This will be followed by resumption of debate on Bill C–53 regarding the Canadian heritage department reorganization, and Bill C–54 respecting technical changes in the Canada pension plan and old age security legislation.

On Monday we will commence second reading of Bill C–56, amendments to the environmental assessment legislation. We would then return to uncompleted debates such as those on Bills C–53, C–54, C–36, or Bill C–55, the Yukon surface rights bill.

On Tuesday we shall return if necessary to Bill C–57, followed by resumption of other unfinished debates.

On Wednesday we shall begin with Bill C–50, the Canadian Wheat Board amendments after which we would again return to unfinished debates.

We will assess progress on legislation early next week before announcing business for Thursday and Friday. However members opposite may want to know now that I may well designate next Thursday as an opposition day, but this will be subject obviously to confirmation.

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# GOVERNMENT ORDERS

[*English*]

## WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION ACT

**Hon. Roy MacLaren (Minister for International Trade, Lib.)** moved that Bill C–57, an act to implement the agreement establishing the World Trade Organization, be read the second time and referred to a committee.

He said: Mr. Speaker, the legislation we are considering today, Bill C–57, is an act to implement the agreement establishing the World Trade Organization. The bill will ensure the implementation of the GATT agreement which I signed on behalf of Canada in Morocco in April.

Adoption of this legislation will enable Canadians to reap the benefits of the biggest trade deal in history. By creating a more open and stable international trading environment this agreement will generate increased Canadian exports and investment. Exports, the driving force behind Canada's recent economic recovery, are crucial to the achievement of this government's job and growth agenda and to Canada's continuing prosperity.

• (1505)

The legislation before us today approves the agreement. It amends Canada's existing laws and tariff schedules to bring them into conformity with our obligations under the Uruguay round agreement. Finally, it provides for the appointment of representatives to the new World Trade Organization and for the payment of Canada's share of its budget.

We made clear before assuming office that a Liberal government would continue to support GATT as the cornerstone of Canada's trade policy. We undertook to focus our efforts on breaking the deadlock in the GATT Uruguay round of negotiations and on building a new World Trade Organization. This legislation before us today is the fruit of those efforts.

The Uruguay round, the largest most comprehensive trade negotiation ever undertaken, involved more governments than any of the previous rounds of the General Agreement on Tariffs and Trade. The final package contains over 30 agreements, understandings and declarations, capped by the agreement to

create the new World Trade Organization. The agreements include an enormous package of national commitments to lower tariffs and non–tariff barriers to merchandise trade, a thorough reform of trade rules and the extension of the world trading system to cover such new issues as trade in services and trade in intellectual property.

Completion of the Uruguay round will have major implications for the world and for the Canadian economy well into the next century. Conclusion of the round after seven and a half years of difficult and uncertain negotiations has already had a positive impact through improved confidence in the global economy.

The GATT Secretariat in Geneva estimates that the global income will be at least $500 billion higher in the year 2005, some 10 years hence, than it would have been without the Uruguay round. Some economists believe that even these numbers, large though they are, may underestimate the impetus to growth, innovation and investment that will result from the Uruguay round agreement. Economists without exception have underlined the substantial potential benefits for all members of the global trading system, including Canada.

Using prudent economic assumptions, we estimate quantifiable Canadian gains of at least a .4 per cent increase in real income, or $3 billion annually when the agreement is fully phased in. These are however only a fraction of the actual gains that will certainly occur.

Although this Uruguay round agreement covers a wide array of issues affecting international trade relations, three areas stand out, both as a result of the leadership role that Canada played in promoting progress and consensus and as a result of these elements representing for us the most important and beneficial achievements of the Uruguay round. I refer to the market access package, to the agreement on subsidies and countervailing duties which grew out of a Canadian draft, and to the agreement to establish a new institution, the World Trade Organization, with a greatly strengthened and integrated dispute settlement system. The creation of the World Trade Organization is largely the result of a joint initiative by Canada and the European union.

Under the Uruguay round agreement access to markets for industrial products will be substantially improved with most tariffs being cut by at least one–third. Deeper cuts including zero tariffs in some 10 sectors will also be made. Overall, Canadian exports to the European union for example will benefit from tariff reductions of almost 60 per cent. To take another example, tariffs on our exports to Japan will be reduced by about 70 per cent.

• (1510)

The impact of tariff escalation will also be reduced. For example the gaps between tariffs on finished products and raw materials will fall by as much as two–thirds for products of importance to Canada such as copper, lead, zinc, and other non–ferrous metals.

A major achievement of the Uruguay round is that for the first time the agricultural sector is brought under the rules based multilateral trade regime. Agricultural tariffs will be cut overall by 36 per cent with domestic support measures to be reduced by 20 per cent and export subsidies by 36 per cent in terms of budgetary expenditures over a six year period. This represents a significant gain for Canadian agricultural exporters. More generally the agricultural reforms will contribute to improving efficiency in the world economy, providing a good start for future disciplines particularly on agricultural export subsidies.

Also for the first time trade in services and trade related intellectual property are brought within the framework of the multilateral trade disciplines. The agreement on services covers trade and investment worth some $2 trillion annually and will promote continuing liberalization in these sectors. Multilateral rules on intellectual property will provide a stronger basis for the development and transfer of technology. Agreements in areas as diverse as rules of origin, import licensing and pre–shipment inspection will improve conditions for all international traders.

As I already mentioned the agreement strengthens trade remedy rules, thus realizing one of Canada's priority objectives on going into the Uruguay round some seven and a half years ago. The agreement defines the concept of subsidy for the first time in a multilateral trade agreement. Further, it sets out criteria exempting certain subsidies for regional development, research and development, and the environment from countervailing measures. In this era of fiscal constraint, Canada will benefit from the strengthening of multilateral disciplines on subsidies that can have such an adverse effect on our competitive position in both domestic and foreign markets.

Although the Uruguay round agreement does contain some improvements with respect to anti–dumping measures, we shall have to go further to ensure that such measures are not used in the future as an instrument for continuing protectionism.

The agreement effectively precludes unilateral measures in responding to trade disputes. The new integrated dispute settlement system, one with clearer rules, tighter deadlines and for the first time an appeal process with binding effect is a major improvement over the existing GATT system. In the final analysis rules after all are only as effective as the means of enforcing them. This wholesale reform of the multilateral trade dispute settlement system therefore can represent an important if unquantifiable benefit for the small and medium size trade players like Canada which are inherently vulnerable to the threat of unilateralism by the economic giants.

Without a doubt the crowning achievement however of the Uruguay round is the creation of the new World Trade Organization that will replace the General Agreement on Tariffs and Trade. Such a new organization is indispensable in overseeing the operation of the complex series of agreements and other instruments resulting from the Uruguay round. It will also provide for greater political surveillance of the system by trade ministers in coming years.

• (1515)

The new World Trade Organization will finally put international trade on a firm institutional footing by becoming the third pillar of the world's commercial and financial structure, along with the World Bank and the International Monetary Fund.

As a successor to the GATT, the World Trade Organization will provide the forum for future trade negotiations aimed at further trade liberalization world wide and the development of new global trade rules.

All parts of Canada, all regions, most sectors of our economy will reap substantial benefit from the Uruguay round agreements. The business and agricultural communities as well as the provinces were closely consulted throughout the course of the seven years and more of negotiation. It is in no small part due to their contributions that these agreements will provide real tangible benefits for Canadian producers and consumers in all regions.

Elimination of tariffs for example on paper and allied products and lower tariffs on lumber will substantially improve access to the European union and Japanese markets for our forest products industry, particularly in British Columbia, Ontario, Quebec and the Atlantic provinces.

The reduction in tariffs and non–tariff barriers in Europe, Japan and Korea, although more limited than we would have wished, will enhance the export competitiveness of our fish products based in Atlantic Canada and British Columbia.

The agreement will produce a more market oriented and global trading environment for our agricultural sector. The reduction in export subsidies and in the volume of subsidized exports will put our field crops, particularly grains and oilseeds from our prairie provinces, on a more equal footing with those of our principal competitors.

At the same time, supply management will be able to continue operating as an effective Canadian approach to producing and marketing dairy and poultry products. The Uruguay round agreement allows for the continuation of supply management through high import tariffs that will maintain a real security for these sectors.

New rules and disciplines on sanitary and phytosanitary measures will improve prospects for exports of many Canadian agricultural and forest products.

The reduction and harmonization at lower rates of tariffs for chemicals and chemical products will improve access to world markets especially in Asia and Latin America for our producers concentrated in Alberta, Saskatchewan, Ontario and Quebec.

Sectoral free trade for pharmaceuticals will result in lower import costs and improved market access and will enhance exports to offshore markets, particularly from Quebec and Ontario. Improved protection for intellectual property will enhance prospects for investment and for research and development.

The Canadian communications and electronic equipment industries concentrated in Quebec and Ontario will benefit from the substantial reduction of tariffs in important industrialized markets. Software and computer service exports will be facilitated by the agreements on services and trade related intellectual property.

Canada has many strengths in the services sector that will benefit from increased global market opportunities brought about by the new General Agreement on Trade and Services. Services in which Canada is competitive internationally include various professional and management consulting services, technical testing, financial, computer and environmental services, telecommunications, air transport, tourism, commercial education and training, health related services, maintenance and repair, and services incidental to agriculture, mining, forestry, energy and manufacturing.

Increased clarity and discipline in the use of multilateral trade rules, particularly countervailing duties as well as more effective dispute settlement mechanisms, will provide greater security of access for Canadian products in many markets. Canadian products that have in the past suffered harassment from countervail actions that can expect more secure access as a result of the agreement include lumber, fish, pork and magnesium.

• (1520)

In addition, new rules under the Uruguay round agreement on subsidies provide for the possibility of taking action against subsidized products that displace Canadian products in foreign markets, including those of the subsidizing country. These provisions alone can be a real benefit to Canadian manufacturers of civil aircraft and ground transport equipment, steel and steel products and other sectors that have often been heavily subsidized by foreign governments.

As a country that stands to benefit greatly from these agreements, Canada has insisted that our principal partners fully implement their Uruguay round obligations by legislating them

into domestic law. We paid particular attention to the United States implementing of legislation. We were in frequent touch with the American authorities at the highest level. We urged them to ensure that the United States legislation faithfully reflects the international agreements.

We are satisfied that the United States legislation now awaiting vote in Congress while not perfect, substantially implements the Uruguay round agreements. All of our principal trading partners are now in the process of moving their legislation forward. We are currently reviewing the European union and Japanese implementing bills, which have just been tabled. While none of our major partners has yet completed the legislative processes, it appears probable that they will in fact do so in time to bring the agreements into force and to establish the new World Trade Organization two months or so hence on January 1, 1995.

It is important that Canada play its part and give a clear signal to the world community that we intend to complete our domestic procedures and implement these agreements into Canadian law in time for the January 1 start–up. However, we shall keep a close eye on the course of the legislative process in Washington, Tokyo and the European union.

We do not intend to complete our legislative procedures until we see how events unfold elsewhere. Accordingly, we shall proclaim our legislation only after our principal partners have obtained their necessary legislative approval.

With the exception of Germany, Canada is more dependent on international trade for its economic well–being than any of the other G–7 countries. Canadians understand that our domestic market is too small to generate alone the level of prosperity we enjoy.

It behoves Canadians to make a contribution to the functioning of the international trading system proportionate to our interest in the system itself. That is why Canada played a key role in the seven years or more of negotiations that led to the agreement to establish the new World Trade Organization which will replace the GATT on January 1. That is why we are now playing a leadership role in the complex, detailed, preparatory work required to get the new World Trade Organization up and running.

We in Canada are committed to completing as soon as possible the unfinished work of the Uruguay round in such areas as government procurement, financial and telecommunications services. We are also committed to beginning work on that new generation of trade policy issues including such matters as the relationship of international trade to the environment, to competition policy, to investment and to labour standards. We intend to help shape the agenda and basic concepts at an early stage so that future negotiations will advance Canadian interests.

Canada's economic strength now and in the future will depend fundamentally on our willingness to stay on the leading edge of freer trade, to continue to take an active and creative role in forging new relationships and in building new structures that over time can extend the reach of a rules–based international order.

• (1525)

The multinational system centred on the World Trade Organization will be the foundation of that international order but it is not the only element of what is and must be a complex and constantly evolving trade order.

We must harness for positive ends the profound forces pushing us all toward deeper economic integration. Today it is more accurate to speak not of trade policy as such but of international economic policy. Jurisdictions and policy areas that have long been considered to be quintessentially domestic are now increasingly subject to international negotiations and rule making.

The old trade policy issues of tariff and non–tariff barriers remain on the table but they are being overtaken by a new agenda: concerns over investment policy, regulatory regimes, intellectual property, competition law and even international monetary policy, a trend which in turn reflects the evolution of a yet more globally integrated world economy.

If we accept that economic security inevitably lies in deepening our commitment to open rules based trade, then the issue is really no longer whether we should surrender sovereignty but how we take a leading role in building a new kind of sovereignty to reflect a new economic order.

The reality is that Canada cannot wait for the international community to provide the institutions of mechanisms that will ensure our economic security. Multilateralism while remaining our first option cannot remain our only option. For Canada, this means taking a yet more active and creative role in forging additional relationships and in building new structures that can over time extend the reach of rules based trade.

This was the original justification for the U.S.–Canada Free Trade Agreement and the subsequent North American Free Trade Agreement. It was really just that, to push forward in areas where our degree of economic integration seemed to call for a deeper, more comprehensive, more expeditious regime of rules and procedures than the GATT itself could provide.

It is Canada's goal to extend this deeper free trade relationship throughout the western hemisphere and beyond, regionally if possible, bilaterally if necessary. We are already engaged in the negotiation of bilateral investment agreements with some international partners. We shall have to consider the negotiation of bilateral trade agreements if other avenues forward should become blocked.

Although the negotiation and implementation of NAFTA has focused Canada's attention in recent years southward to the rest of our hemisphere, we must also begin to explore additional means of expanding our trade relations eastward, across the Atlantic to Europe and westward across the Pacific to Asia.

The momentum for trade liberalization both in the western hemisphere and around the world is strong. Canada seeks to maintain that momentum. Accordingly I shall convene a meeting of the trade ministers of Japan, the United States and the European union here in Canada this spring.

We shall strive to develop a consensus for new common trade initiatives that will be considered at the G–7 summit next June in Halifax.

In submitting this bill today to the House for approval, the government counts on the consensus of all parties in this House that the cornerstone of trade policy is a multilateral system of mutually agreed market access conditions and non–discriminatory trade rules applicable to all that free, fair and open trade is essential for the future of the Canadian economy and for securing the competitiveness and long–term sustainable development of Canada and that trade expansion contributes to job creation, achieves higher standards of living, offers greater choice to consumers and strengthens the Canadian economic union. Such are the objectives that the bill before us today seeks to promote.

• (1530)

I invite members from each side of the House to join in considering its provisions, its purposes and ensuring its timely adoption.

[*Translation*]

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, I welcome the opportunity today to speak on second reading of Bill C–57, an Act to implement the Agreement Establishing the World Trade Organization. On April 15 in Marrakesh, Morocco, the 125 signatories to the General Agreement on Tariff and Trade, commonly referred to as GATT, finally signed the agreement that finalized the lengthy negotiations of the Uruguay Round, which had taken nearly eight years.

Later on, I will elaborate somewhat on the process that led to the conclusion of this agreement and on the various stages of the Uruguay Round. By signing the Marrakesh agreement, member countries created the World Trade Organization, which is to replace GATT from now on. However, implementing the various provisions of this agreement and the tariff tabled by Canada in February will require a number of adjustments to existing legislation.

The bill before the House today is essentially concerned with consequential amendments to existing legislation. Part I of the bill covers the ratification of the agreement, identifies the positions of Canadian representatives with the various bodies of the World Trade Organization, determines the payment of Canada's contribution towards the operating expenses of the World Trade Organization and contains provisions for suspending concessions the agreement allows in specific cases.

Part II of the bill, which is also the most substantial part, amends certain acts to reflect the obligations contained in the agreement, and as a result, many existing acts will be amended by this bill. These include, for instance, the Bank Act, the Canadian International Trade Tribunal Act, the Canadian Wheat Board Act, the Canada Cooperative Associations Act, the Copyright Act, the Customs Act, the Export and Import Permits Act, the Financial Administration Act, the Investment Canada Act, the Investment Companies Act, the Meat Import Act, the Patent Act, the Special Import Measures Act, the Trade–marks Act, the Trust Companies Act, the Loan Companies Act and the Western Grain Transportation Act.

Part III deals with the coming into effect of this bill, showing the extent of the ramifications and implications this bill will have in our everyday life. In this regard, it is obvious that the significant changes brought about by trade liberalization are likely to raise a number of concerns in certain circles. The changes made in international trade rules are undoubtedly bound to result in a restructuring of the various national economies and certain economic sectors are more affected than others.

But apart from these structural adjustments, which are temporary and transitional, we must recognize that trade liberalization presents us with to formidable challenges and note the remarkable adaptability demonstrated so far by the various sectors of our economy as well as the vitality shown by Canadian and Quebec businesses in the face of market expansion.

Trade liberalization forces us to become competitive. We must rely on those areas where we excel, occupy new market niches, put the emphasis on value–added products and, consequently, invest massively in research and development as well as put in place coherent and efficient vocational training and manpower adjustment policies.

The establishment of the World Trade Organization will result in the strengthening and hastening of the planetary trade liberalization movement. There is every indication that it will soon be joined by new members, some of which, like China, show a major potential for economic development.

• (1535)

Needless to say that we will be supporting this bill, since it is intended to implement an agreement that Canada and a hundred or so other nations have already signed and it is in line with the global trade liberalization movement that we are in no position to avoid, nor indeed should we. It would be in our interest to

become part of this movement as soon as possible in order to position ourselves in relation to our partners.

Let me share with you at this point some of ours concerns regarding this government's position on the issue of the World Trade Organization. The government should have known that the Official Opposition would strongly support the bill before us and it should have seen us as a partner in this. Nevertheless, it chose, once again, to show stubborn partisanship by taking a distrustful and cavalier attitude toward the Official Opposition. Far from co–opting us, the government waited till the last minute to let us know what it intended to do regarding the establishment of the World Trade Organization and to give us a copy of the draft bill. It exerted undue pressure to get us to speed up the debate when we did not even have time to read the bill.

Incidently, we only received it on Tuesday. It is a very thick bill, almost 150 pages, without counting the complex and technical appendices. It is clear that the government wanted to avoid a long debate on the form and content of the bill. But its awkward approach makes us wonder if they are hiding something. We will use this debate to express a number of comments and preliminary remarks, but we intend to also use the subsequent hours of debate in the House and in committee to look more closely at the bill and its implications.

To get back to the content of the bill, we can never say often enough that the internationalization of markets is inevitable in today's economic context. Developed and developing countries alike cannot avoid this general trend without cutting themselves off from the outside world. As I said in an earlier speech in this House, trying to escape this trend is like trying to ignore the emergence of new means of communication and new production capabilities, in other words, to ignore the major changes that have occurred in our economic environment.

Freer trade allows us to concentrate production on what we do best. Continuing to produce and sell goods and services, even in areas where we are not as competitive, would be tantamount to retreating into a bubble and voluntarily lagging behind the rest of the world technologically, thus heavily mortaging our economic future.

If countries with small economies like Denmark and the Benelux states did well for themselves by recognizing the importance of being open to the world, Canada and an eventually sovereign Quebec should also be able to benefit from their human and natural resources in a climate of trade liberalization.

The Quebec economy depends on the export of goods and services for 16 per cent of its GDP, while Canada is among the top 15 exporters of goods and services in the world.

Quebecers and Canadians must have access to the big markets to ensure their economic prosperity. Although opening up our markets still raises fears, which are sometimes justified in some regions and economic sectors, we must recognize that a certain consensus has been reached on this issue.

I already spoke in this House about the positive impact of increased trade on the job market and on the creation of wealth. If I may, I would like to repeat what I said earlier, namely that it is important to be aware of the direct impact of exporting goods and services on job creation and the creation of wealth.

• (1540)

According to a recent study reported by Quebec's statistical bureau, every $10–million increase in our exports creates more than 100 jobs directly. Furthermore, these $10 million would contain over $6 million in added value.

Opening our markets does not provide benefits only for consumers and businesses in Canada and Quebec. With the greater economic integration of North America, we must also hope that more and more foreign companies will choose Canada and Quebec as a gateway to the continent.

Admittedly, freer trade means some transfer of our commercial sovereignty to a body like the World Trade Organization. Nevertheless, for countries like Canada and Quebec with medium–sized economies, such a transfer, in a regulated multilateral framework, is preferable to direct competition with the economic might of a country like the United States, for example.

Quebec, Canada and other countries with small and medium–sized economies that signed the Marrakesh Accord understood that the only way to ensure their long–term future was to enthusiastically accept.

Finally, the World Trade Organization, which is instituting new dispute–settlement mechanisms that are neutral and resistant to political pressures, will provide small countries with further assurance of protection from arbitrariness and possible abuses by the commercial heavyweights.

The still recent free trade agreements should help Quebecers and Canadians understand better than anyone the importance of such an organization, as well as the importance of avoiding any laxness and vague definitions which could lead to false interpretations. I will deal with this issue later on when I will make specific comments on the positive points of the Marrakesh Accord.

As you will have figured out, the Bloc Quebecois is very enthusiastic about the establishment of the World Trade Organization. We are pleased because this agreement will allow our businesses to find new markets and will therefore benefit our workers. However, and again I will elaborate later, the implementation of this agreement must take into consideration the

situation of those who will have to face major challenges in order to adjust to the new economic realities.

I want to repeat a word of caution which I already gave regarding new markets. In fact, it comes from the Canadian Chamber of Commerce, which made the following comment at a round table on foreign trade: "GATT, NAFTA and other regional agreements promote the creation of a more aggressive, predictable and stable trade environment. However, members feel that market globalization presents growing challenges to Canada. They estimate that the ability of Canadian businesses to benefit from opportunities resulting from GATT or NAFTA and to preserve their domestic market share will be directly dependent on Canada's ability to improve its finances".

Let me quickly add that the Chamber of Commerce advocates greater co–operation between the private and public sectors. This means, among other things, that the government must create an environment conducive to investments in Canada and in Quebec. Like the Canadian Chamber of Commerce said, such a favourable environment is dependent on a rational reduction in government spending.

I am not referring to irresponsible cuts here and there but, rather, to the elimination of costly duplication and inefficiencies which are attributable to the structure of our Canadian institutions and political regime.

At this point it is important to describe the process which led to the new GATT agreements and to the establishment of the World Trade Organization. In theory at least, that process should be completed on January 1, 1995, with the implementation of the accord, provided it is ratified by a sufficient number of states.

It was in November 1982, during a GATT ministerial meeting, that emerged the idea of opening a new round of negotiations on issues which had been left unresolved in 1979, including intellectual property and barriers to free movement of some services, manufactured goods and agricultural products.

Three years later, in 1985, the ministers representing GATT's major partners, namely the United States, Japan, the European Community and Canada, met in Sault Ste. Marie to do the groundwork for the new round of negotiations.

• (1545)

A year later, at Punta del Este in Uruguay, a declaration by GATT members paved the way for the eighth round of multilateral talks since GATT was established in 1947. Discussions conducted by 15 negotiating groups were initially expected to last only four years, after which important matters, such as defining trade dispute settlement mechanisms and eliminating trade barriers, many for the first time, would be finalized.

Half way through the talks, it became evident at a meeting of the ministers concerned that negotiators faced major obstacles in the agricultural sector and were unable to agree on a negotiating framework that would be acceptable to all parties. This major setback, coupled with considerable pressures from European farmers, dissatisfied with the way the talks were going, led to a deadlock. The Brussels Conference in 1990 failed to lead to the signing of the Uruguay Round as planned in 1986.

From 1990 to 1993, negotiations continued at a slower pace, although all parties realized it was important to reach an agreement within a reasonable timeframe. Finally, on April 15, 1994, the participating countries signed the final act establishing the World Trade Organization and undertook to have the new agreements ratified. So far, no major players have finalized the ratification of these agreements. Once the agreements have been ratified, the World Trade Organization, as of January 1, will be the third pillar of our global economy, together with the International Monetary Fund and the World Bank.

At the end of the Marrakesh Conference, Sergio Abreu Bonilla, Uruguay's Minister of Foreign Affairs, stated that the Marrakesh declaration expressed the concern of all nations for greater global consistency in monetary, financial and trade policies.

As I pointed out earlier, Quebec supports free trade with the United States and Mexico. It is also in favour of expanding NAFTA to include other partners. As a firm supporter of free trade, Quebec insisted on being closely associated with the negotiating process that led to the final act of the Uruguay Round. That is why, at each stage in this process, Quebec was careful to ensure that the interests of individuals and business were appropriately and legitimately defended by the federal government.

The signing of the final act and its conclusion in Canada's statutes through Bill C–57 gives us an opportunity to consider the impact of this agreement. We know full well that some of our fellow citizens and some of our industrial sectors will be hurt by the broad liberalization of trade which will result from the signing of NAFTA and the final act of the Uruguay Round.

Allow me to review the different sections of the final act, to see what its impact will be on the people of Quebec and Canada. As I just said, the agreement answers the concerns of Quebec. It offers a series of business opportunities that Quebec companies will have to seize. It also promises a better trade environment at the international level, based more on law than on might.

What I have just said applies also, I think, to the Canadian business environment. The creation of the World Trade Orga-

nisation, which will replace GATT, will strengthen relations based on adherence to rules common to all countries. The WTO will have extended responsibilities and a clearer mandate.

The WTO will be responsible for any future multilateral negotiations and will supervise the institution of global economic policies in co–operation with the International Monetary Fund and the World Bank. They will administer an improved system for settling trade disputes. Only time will tell whether or not the World Trade Organisation will be up to the challenges that will come forth in the international arena. The final act lets us hope for the enforcement of better defined and stricter trade rules.

• (1550)

Under the new GATT agreement, import quotas will be replaced by high tariffs that will be gradually reduced. As for manufactured goods, better defined rules have been adopted and this initiative has encouraged several countries, including Canada, to commit to steadfastly opening their markets.

According to a report of the GATT Secretariat, the conclusion of the Uruguay Round should result in an increase of $755 billion US per year in international trade and should inject some $235 billion into the world economy once all the clauses of the agreement are implemented by all signatory states. The agreement provides, in particular, for an average decrease of 40 per cent of duties on goods traded, from 6.3 to 3.9 per cent.

Subsidies and countervailing duties seem to be more closely regulated, partly due to the introduction of a more strict definition of the types of subsidies and to limits on the unilateral and arbitrary use of anti–dumping measures. The introduction of a sunset clause for all safeguard measures as well as the severe restriction on the use of so–called grey zone measures, such as self–limitation of exports and orderly trade arrangements, appear to us to be commendable and necessary.

It was imperative for Quebec and Canada that the final agreement define the concept of subsidies, recognize that some subsidies do not distort trade and thus that they should not be subject to countervailing measures. Finally, it was important to guarantee the integrity of economic and industrial development measures put in place by the provinces. The final agreement recognizes that.

We are particularly happy with the fact that provincial and federal grants to basic industrial research, regional development and adaptation of businesses to new environmental standards are considered to be "green", which means that they cannot be submitted to countervailing measures by our trade partners.

We are witnessing, at this time, a proliferation of trade disputes in all sectors, in particular with the United States. We hope that the new measures introduced by the World Trade Organization will allow our businesses to avoid the arbitrary and protectionist measures of some of our trade partners.

In that sense, it remains more fundamental than ever for Quebec to be able to take part in the dispute settlement process when its interests are at stake or when the contentious issue is a provincial matter. As you can imagine, the Bloc Quebecois will make sure of it.

We welcome the reduction of custom duties, and in some cases their virtual disappearance on natural resources, lumber, pulp and paper, and pharmaceuticals which are of paramount importance for the Quebec and Canadian economy.

We also welcome the reduction of export subsidies amounting to 36 per cent of budgetary expenditures and 21 per cent of subsidized quantities. It is a step towards de–escalating the subsidy war the United States, the European Union and other countries including Canada have been waging. If such a measure contributes to a decrease in government spending, we will certainly not complain.

Agreements on government procurement contracting give Quebec and Canadian businesses access to most contracts by central government agencies of our main trading partners, especially the United States and the European Union. According to the Department of External Affairs and International Trade forecasts, "Canadian suppliers will have access to increased markets worth US$125 billion in the goods, services and construction areas in the countries to which the code applies". We will have to see how government agencies and public corporations will abide by the agreement in that respect.

Quebec and Canada must also welcome the measures regarding intellectual property, especially with respect to plagiarism and pirating of goods and merchandises.

For the first time, the final act contains a section dealing exclusively with trade in services which amount to $900 billion US, a year. In concrete terms, this will slowly but surely provide us with greater manpower mobility between countries, which means more specifically that more and more Canadians and Quebecers interested in working in another country will face less of the bureaucratic red tape they are currently subjected to. Banks, insurance companies, consulting firms and software manufacturers will have improved access to foreign markets.

• (1555)

We are pleased to note that health, education, social assistance, culture and supply management, as proposed by Canada, are excluded from this services agreement.

Throughout the Uruguay Round, Quebec considered three sectors as particularly strategic and vulnerable: first, agriculture, of course; second, the textile and clothing industry; and finally, the culture sector.

Quebec was demanding protection for its agricultural industry. Under what has become known as the old GATT agreement, all the protection provided by the milk, eggs and poultry production and marketing structure in Quebec and Canada hinged on the famous Article XI.2(*c*) of the GATT, 1947, being maintained.

On this issue, Canada found itself standing alone, and was even defeated in the negotiations to strengthen Article XI. We will now have to do without Article XI and find ways to ensure our supply management mechanisms as well as stabilization insurance programs are maintained. Canada has tabled extremely high tariffs liable to protect our farm products adequately, but it remains to be seen whether the federal government will be able to uphold these tariffs in spite of the Americans. This is easier said than done. The Americans want all customs tariffs on Canadian products, including farm products, to be removed. This is no reason to rejoice as the Americans may try using this as leverage to get concessions from Canada in other sectors.

Rest assured, Mr. Speaker, that the Bloc Quebecois will follow these negotiations very closely and monitor how well the federal government defends the interests of Quebec farmers.

The textile and clothing sector is Quebec's second most important sector. This sector is fairly important in Quebec's economy as 16 per cent of all manufacturing jobs, or about 81,000 jobs, are mostly concentrated in the greater Montreal region.

It must be noted that the integration of the Multi–Fibre Agreement governing the trade of these products in the old GATT into the new GATT regulations will increase competition from textile and clothing manufacturers in the rest of the world. This tougher competition will bring about a rationalization of Quebec's textile and clothing sector and there will be winners and losers.

Finally, we must point out the central importance of culture for Quebec and for Canada. We must protect Quebec's small cultural market without closing it off. Quebec is already very open to other countries' cultural influences and that is certainly not a bad thing. We must also ensure the international development of Quebec culture. It is crucial to preserve this delicate balance.

We applaud France's fight to include an exception clause for culture in the final agreement. We are pleased to see that Canada has excluded cultural products from its concessions to the other GATT members.

I think it would be important at this stage to outline some of our preliminary reservations about this bill and its implications. First of all, if I may, Mr. Speaker, I will quote one of the promises regarding trade policy in the Liberal Party's red book: "Governments must assist individuals and firms to deal with the restructuring that is occurring as a result of trade liberalization. Such assistance is critical to building acceptance of structural reforms in the Canadian economy". Given the current state of public finances, the Liberal government might be tempted to break this promise of setting up programs to convert the businesses most affected by GATT and NAFTA.

• (1600)

The Bloc Quebecois and I willingly recognize the need to intelligently reduce Canada's huge deficit.

However, we also realize that workers in some sectors of our economy must make extra efforts to adjust to new market realities.

Although I am deeply convinced that workers and businesses in Quebec and Canada will be innovative and dynamic enough to face these new realities, I also know that state intervention in some cases is absolutely necessary and crucial.

I can therefore assure you that the Bloc Quebecois and I will continue to demand that the government keep its promises, something which it has so far failed to do on this issue. We believe that effective, flexible, low–cost measures can be put in place to help companies better adjust to the new deal so that they can take more advantage of the opportunities that foreign markets offer them.

Moreover, the innovative spirit and dynamism which our companies must show must also be supported by a consistent manpower training system that is sensitive to the needs of its clientele. There is a consensus in Quebec society that the government closest to the people's concerns, the Government of Quebec, must have complete control of a real top–notch vocational training system.

I also want to point out that, from what I understand after reading the bill, the minister has some discretion regarding the delivery of import permits for agricultural products which will benefit from preferential tariffs. Again, we are aware of the importance of maintaining some flexibility in such a system. However, based on our initial examination, we wonder whether political considerations might have a bearing on the decisions made by the minister responsible. The government is trying to escape from the authority of Parliament by defining the selection criteria through regulations. This is obviously unacceptable.

Finally, I want to say a word on the role of the provinces in the implementation of international treaties signed by the Canadian government. In this case, the treaty signed in Marrakesh will have a major impact, not only on federal legislation—and I should point out here that 31 federal pieces of legislation are amended by Bill C–57—but also on provincial legislation.

Under the circumstances, we were surprised that no federal clause is included in Bill C–57. We understand that government jurists deemed it would be more appropriate to add new provisions defining the role of the provinces whenever an issue falls under provincial jurisdiction.

A more in–depth examination of the bill will allow us to better understand and evaluate the impact of this procedure. In the meantime, it goes without saying that Quebec is prepared to fully co–operate in the implementation of the agreement on the World Trade Organization.

I will conclude by expressing some reservations, not on the content of the bill or on the agreement itself but, rather, on the Liberal government strategy.

To this day, some 20 countries are said to have ratified the agreement. Various groups, including the Union des producteurs agricoles, wonder about the eagerness of the Canadian government to ratify the agreement before major players such as the United States, Japan and the members of the European Union. It is obvious that, right now, the key players are watching each other's moves and are trying to avoid being the first ones to unveil their legislation.

I listened carefully and I am satisfied with the information provided by the minister of International Trade who stated that he did not intend to ask Canada to ratify the Agreement before our main commercial partners do.

The United States have introduced a bill which will be debated by Congress early in December. Several observers think that president Clinton has decided to wait until the primaries are over before submitting this bill to Congress for approval.

• (1605)

This prompted Mr. Claude Lafleur, Director General of the Union des producteurs agricoles, to write in an editorial published in the October 18 issue of the magazine *La Terre de chez nous*, and I quote: "This is why the Canadian government, which is about to put before the House of Commons a motion to ratify this GATT agreement, should change its mind. Prudence demands that we wait until the two biggest players step on the field before showing up".

Canada is obviously trying to set an example for the small signatory States, but maybe it should have been more careful. Under the circumstances, it should do everything it can to urge the United States to pass their own bill before the January 1 deadline.

Last, I want to remind members of one thing we expect from the creation of the World Trade Organization. As early as January, the new World Trade Organization will be asked to examine a number of sensitive issues in order to quickly find innovative solutions, if possible.

We would like the World Trade Organization to address a number of issues such as the relationship, still deemed unsatisfactory by several countries, between "trade and human rights", between "trade and migratory movements", between "trade and development assistance" and, finally, between "trade and social and environmental standards".

The Bloc Quebecois and myself are urging the government to ensure that these issues are seriously addressed by the World Trade Organization.

In closing, I reaffirm our support for this bill and for the underlying Agreement Establishing the World Trade Organization. I also want to add that the government can count on the full co–operation of the official opposition in this regard. All it has to do is ask nicely.

[*English*]

**Mr. Charlie Penson (Peace River, Ref.):** Mr. Speaker, I am pleased to speak today on Bill C–57 which puts into effect the final stages of our participation in the World Trade Organization.

First of all, I would like to take the opportunity to thank and congratulate the minister and his department for all the hard work they have done to bring this legislation forward and to start the process of putting the World Trade Organization into effect.

A lot of people have been waiting a long time for this development. It has been said already that it has taken seven years of negotiations at GATT to bring this about. As an agriculture producer waiting for some trade rules to develop as a result of the trade wars, it has been seven years of anguishing and waiting for some trade rules in that area. I am very glad to see that this is moving forward quickly.

Canada has provided leadership in the international trade area into the 21st century. I believe that very sincerely. We have been one of the prime architects of the WTO, not just this administration but the previous one. Canadians have a long history of working toward trade liberalization and establishing trade rules, especially after the second world war. Canada is a trading country and we represent forward–thinking people in the area of trade liberalization. It is in our interest to do so.

I want to take a moment or two to outline what this bill does. We have already heard some of it. It implements our full participation in the World Trade Organization, and is a result of Canada being a signatory to the Uruguay round of agreements under the GATT, an agreement which 117 members have signed.

The bill amends 31 statutes so Canada's laws conform to the new international trade obligations. It contains a lot of positive features. The World Trade Organization will be an effective institution to oversee world trade policy and to settle disputes between nations on a multilateral basis. That is going to be

welcome. We have had some problems, in particular between Canada and the United States with whom we have a very big trade relationship. There have been problems with some disputes and it is going to be a very welcome feature that we can appeal to an international multilateral organization for their resolution.

• (1610)

As I said, this agreement includes agriculture for the very first time. Agriculture is one of the few industries that was not under trade rules in the old GATT. We have seen what can happen when we do not have international rules to govern trade. We saw a world trade war in agricultural products that almost expanded to a full scale trade war world wide. It has devastated the industry not just in Canada but in smaller countries such as Australia and Argentina, countries that could not play the subsidy game to the extent that the large countries like the United States and the European union could.

For that reason it is vitally important to Canada's interest that we establish trade rules and that we quickly move to resolve some of the problems that have been associated with them. Therefore, we are very much supportive of that.

It also brings into effect the intellectual property and services for the first time: financial services, telecommunications, transportation, computer services, software, management consulting, engineering, tourism, accounting and other business sectors. That is welcome too. Our businesses can compete anywhere. Given that we have trade rules now that give them some certainty in the way they operate we will be very effective.

Canada has one of the most developed and advanced financial service sectors in the world. Canada's top three banks are in the top 50 world wide. Trade liberalization will allow these banks to make significant progress in operating internationally.

In addition, allowing foreign banks to further operate in Canada will result in more competitive and lower prices for Canadian consumers.

Providing a rules based trading arrangement will allow Canadian businesses to operate better world wide.

We welcome strengthened trade rules, especially on subsidies and countervailing duties. We also welcome a more effective system of dispute settlement mechanisms. These will allow for speedy resolution and probably even stop some of the nuisance type cases that are brought against Canadian businesses.

By having these trade rules in place, this will let market forces decide how trade should flow rather than government intervention. This is a very welcome feature for us in the Reform Party and Canadians generally.

I want to say unequivocally that we support this bill. It is a very important bill. Our party supports it just as we support the free trade agreement and the NAFTA. We support further extension of free trade through GATT and also with the World Trade Organization to bring more member countries on board.

The importance of trade to Canada cannot be underestimated. One job in five is created by exports. When our exporters do well everyone benefits. We have already seen some of the results that have come out of NAFTA, the very recent trade agreement we signed. Exports to Mexico in the first six months of this year have increased by 24 per cent over the same period last year. Some might say that it was a small figure to begin with, but I think it is a trend that is going to continue.

We have seen what has happened with the free trade agreement in areas like the beef industry in western Canada and how they have been able to take advantage of the Canada–U.S. Free Trade Agreement. Some sectors are doing very well.

If the total of our exports were to increase by 24 per cent, we could add $45 billion to our economy. If our businesses have the impediments to trade taken out of their way and are allowed to operate efficiently, they will do just that. This is a very important step for Canada.

However, I have some concerns and they are shared by a lot of people in the country. By bringing Canada into compliance with the World Trade Organization exposes some of the shortcomings of our existing domestic policies. We have a strange paradox. Internationally we have been a leader, an architect, in opening up trade rules but at home we have some of the most draconian regulations and internal trade barriers as any place in the world. These have to be corrected in order to give our businesses a chance to compete.

Canada was one of the main architects in bringing into place the World Trade Organization but what a contrast with the policies at home.

• (1615)

I am hoping that we are going to see some moves in that direction. Several items I want to touch on are transportation, the Canadian Wheat Board, the whole business of interprovincial internal trade barriers. The area of supply management needs further work. All of these require some measure of overhaul. All we have had is the minimum compliance necessary to bring this World Trade Organization into effect. The real work at home still remains to be done.

Improvements are required to the fundamentals to improve Canada's competitiveness. Our debt and deficit are too high. I think we have general agreement on that. I certainly hope we are moving in that direction. The Minister of Finance says that the entire annual deficit is now equal to the amount of interest we have to pay on our public debt. It is a situation we simply cannot let continue.

We have some serious trade imbalances with some of our major trading partners: Japan, U.K., China and Taiwan. We hope these can be corrected. The Asia Pacific area is a high growth market which up until now we have not been able to take full advantage of. I know there are some major initiatives coming forward. I hope we can develop and work on some of our strengths in the Asia Pacific area. The minister knows what those strengths are for Canada.

I do have some questions. Internationally Canada is seen as one of the leaders in trade liberalization, but we have to question the Liberals' commitment to free trade at home. In opposition, the Liberals fought against free trade, except for the present minister of course.

He was one of the bright lights pushing for free trade internationally. I have to stop to make an analogy. I come from a family of 11 children, a big family. When it was time for us to move from childhood into adolescence, into the teenage years my father used to sit us all down and have a talk with us about the facts of life.

I would like to make the analogy that the minister here is the father figure in this cabinet, in this government. He should sit some of these people down he is working with and have a serious heart to heart talk about the facts of life of international trade and about our lack of competitiveness at home. He knows these very well. He needs to spread it a little with some of his other members.

For some of the other members like the Minister of Transport and the Minister of Industry there is a little stirring going on with their hormones. They are starting to see that they are going to develop a little. I do not know if he needs to talk to them quite so much. They must have been learning a little out in the mall or behind the barn some place. It is starting to have some effect there.

There are others like the minister of agriculture for whom it really needs to be worked on. The Prime Minister is going on a big date next week to China. I think he needs to be reminded of the very serious factors here at home that must be corrected in order to give our businesses a full fledged chance. That was a light moment to make an analogy that is not that bad.

What works for Canada outside the country in terms of trade is good for Canada here at home. This bill only does the minimum required to meet our GATT obligations and we need to go much further. My colleagues who will be joining the debate as it develops will be speaking after me to provide more detailed proposals in this regard.

I do want to touch on a couple of these in passing. The Canadian Wheat Board is one of them. For reasons of compliance we are going to amend the Canadian Wheat Board Act. We are going to remove the import restriction and replace it with tariffication, a good move I think. Why not go one step further and remove the total control—the monopoly that the Canadian Wheat Board has on exports out of the country—and let free trade really work for ordinary Canadians.

We have seen substantial pressure from a lot of producers. It is mostly younger producers, I would say 50–years old and under. It seems to me that if the Canadian Wheat Board does not yield to pressure for change, it will be out in the cold at some time. The younger producers are demanding changes that are more market oriented.

While I am on my feet on that topic I want to add there is a big myth out there that the Canadian Wheat Board has always been a single desk seller that could not function if it did not require all of our export grain. That is a myth. In the early days of the Canadian Wheat Board it was operating under a dual market system. It was operating very effectively.

The change was made in 1941 under the War Measures Act and that power was never relinquished. It needs to be changed and more marketing ability has to be put into the hands of producers.

• (1620)

Another area that is going to be amended, clauses 213 and 221, is the Western Grain Transportation Act. Again, minimum compliance is all that we are going for here in order to implement the WTO but this act needs a complete revisit.

We are going to have all kinds of problems as a result of the export volume cap that is going to be placed on us with our compliance with the World Trade Organization.

We have terminals at Vancouver, Prince Rupert and Churchill that are going to be subject to volume caps in terms of what will qualify for subsidized movement of grain. We have the Lakehead at Thunder Bay which is not going to be subject to this cap and it just happens to be that the Thunder Bay terminals are the lowest volume terminals in Canada. In recent years the amount of grain going through them has declined dramatically. This simply cannot continue. I would suggest that the government co–operate for an amendment at committee stage in order to correct this.

When we are having a chance to open some of these acts, let us open them up and look at them in the best light that they can be looked at. There needs to be change. We have heard producers in the grain industry demanding change to the Western Grain Transportation Act.

We know that because of budget pressures we simply will not be able to continue. We have to find some other way, some better way of operating.

Transportation is another area of concern. We have talked about the WGTA but it does not just apply to that. It applies to interprovincial trade barriers, interprovincial problems in the area of transportation. These are all areas that affect our ability to trade at home.

The 12–member European union has no border stops in order for truck or train traffic to move through the country. Canada in contrast has one stop in every province at the border. It can get bad. I know in my own province there is one at the Alberta–British Columbia border on the Alberta side, one at the Alberta–B.C. border on the B.C. side with different rules and regulations. We simply cannot afford to have that continue to happen.

Just a little story about my brother who operates a trucking business in that area. He was operating on a gravel hall last summer working 10 miles from the British Columbia border. When they finished for the day the operators wanted to drive their rigs into Dawson Creek, British Columbia for accommodation. They were not allowed to do so unless they got special permits.

This shows how disoriented, disjointed our internal policies have become. We have to move to make some major changes.

Supply management is another area. My colleague from the Bloc has just talked about it. To me this is the biggest failure that this government has made in trade negotiations and the biggest failure that this minister has made, to allow this sector to really escape any free trade.

I know that border closings are not permitted any more. They have been changed to tariffs but the levels of tariffs that have been put on supply managed products are simply prohibitive. When the member from the Bloc complains about the fact that they are not as well off with supply management under this new arrangement as they were under the old article 11(2)(c), I say it simply is not so.

It looks to me like the supply managed sectors are only subject to a 15 per cent, a very minimum reduction, in these subsidy reduction levels. We have to bring down our subsidy levels by an average of 36 per cent in six years and a minimum of 15 per cent in any one sector.

It looks like they have opted for 15 per cent, the very minimum in supply management, and we know that has to be made up somewhere else. What is going to happen is that we are going to get sectors of various industries traded off against each other. It is going to create a lot of hard feelings.

● (1625)

Let us use the formula that is in place. The tariff for butter under this new arrangement is presently 351 per cent after a minimum 15 per cent reduction. After six years we still have a tariff of around 300 per cent. With this type of reduction there will be no trade in supply managed products in the foreseeable future. This simply cannot go on. I do not think it will be allowed to go on because some of our major trading partners such as the United States want us to open this sector and they are going to be hitting us hard in others to make us realize that if we had signed NAFTA and GATT we had better live by the sword and die by the sword, if you like. We have to make some changes in that area.

I believe even if that does not happen, consumers will start to question why we need the 351 per cent tariff on a lot of these supply managed products. These cannot be maintained in a spirit of free trade or consumer interest.

There is some future work for the WTO and I would hope that Canada will continue to play a leadership role. I think that is one thing we are good at. There will be a second round of agriculture negotiations I believe in either five or six years, I am not sure which. It is welcomed. We need to have future rounds to continue to reduce all subsidies and tariffs to a zero level. That will really bring about the full impact of free trade worldwide.

In addition, more countries need to be brought into the World Trade Organization. China is one that comes to mind. As it meets the requirements for WTO accession, I hope that can be done. I hope this can be an expanded club, one that will allow Canadian businesses to work in all areas of the world and not just the 117 at the moment.

I realize I have some time left but I do not believe in dragging things out when they can be dealt with in a straightforward manner. I want to reiterate that we must continue in our leadership role at the World Trade Organization.

We are in strong support of the bill and the principle behind the World Trade Organization and GATT. We have concerns that I have just identified and we will address them in more detail as other speakers come forward. It is imperative that we put our own house in order. It is nice to have external trade leading the way to our recovery. This is one area that is a very positive sign for Canada.

We have a national debt of some $550 billion. Our deficit this year is going to be in the range of $40 billion. Trade is one way that we can help to address some of our problems and our deficit. Growth will reduce the amount of money we need to cut in order to achieve a balanced budget.

While it is nice to have external trade leading our recovery, with these new trade deals we have been able to negotiate and put in place, let us make sure that our Canadian businesses can take full advantage of these opportunities. We will be putting forward some constructive ideas. I hope the government will take action in the areas we have identified that restrict our ability to take full advantage of these trade opportunities.

**Mr. Bill Graham (Rosedale, Lib.):** Mr. Speaker, it is privilege to rise to discuss Bill C–57 following on the heels of the minister, the member for Verchères and the member for Peace

River. As other members have pointed out to the House, this bill introduces the Uruguay round into the legislation of Canada.

The wealth, prosperity and well–being of all Canadians depend in a decisive fashion on international trade and on the international institutions and the domestic practices of other countries which set the rules for the conduct of that trade. For every dollar of GNP 30 cents are trade related and the service industry will see that grow.

• (1630)

As the minister said, apart from Germany we are more dependent on international trade than any country. The Uruguay round of which he spoke was a set of negotiations which deepened and broadened the rules that applied the international trade upon which we are so dependent. The legislation brings those rules into the domestic law of Canada.

Like the member for Verchères, and I am sure like the member for Peace River, I would have preferred more time to have studied the bill. As the member for Peace River said, it took seven years to conclude these negotiations. It might comfort him to know that it took 12 years to conclude the Tokyo round which preceded it. We are getting shorter. However the documents seem to get longer. I understand that the documents here represent about 26,000 pages. NAFTA rather confounded us with 2,000 pages. It is getting longer and it is getting more complicated and, as lawyers sometimes say, the devil is in the details. As the member before me stated, it required the amendment of some 31 statutes to bring them into conformity with our international obligations.

Like the member for Peace River, however, I want to assure him that the minister did read the facts of life to me, both in terms of international trade and in terms of the internal trade of Canada. I am sure the member will read with interest the efforts of the Minister of Industry to try to bring more and more the trade practices within Canada into conformity with the liberalization of trade practices outside Canada. The government recognizes the need to do that. In negotiating more expanded and deeper rules outside the Canadian framework we recognize, all of us in the House, the need to address the problems, the non–tariff barriers, that exist in our own constitutional framework.

The minister mentioned the sectors which the agreement addresses: lumber and wood products, alcohol products, agricultural products, textiles, and the list goes on. They all represent or are covered by a certain number of tariff reductions and reductions in non–tariff barriers which will result in benefits both to producers who export and to consumers who consume in this country.

The agreement on trade and services in our own country represents something like 72 per cent of the Canadian labour force. This is of great importance to people in my riding of Rosedale. The new agreement in trade and services breaks new ground. It is an extremely important area. It is complicated. It involves transborder services. It involves establishments in other countries to provide those services. It involves the complex areas of banking, insurance and other services of importance to Canada. The agreement contains many imaginative solutions to this complex area, many of which are a result of Canadian inspiration and build on the experience of the North American Free Trade Agreement.

The agreement also does something which I believe is very important and was not yet touched upon in any of the other members' speeches to the House. We must not forget in reviewing the legislation that the WTO will provide people in developing nations with enhanced market access, an increased potential for development and a better quality of life.

As just one example, the discriminatory and trade distorting multi–fibres regime will be phased out. This will enable the textile industries in developing countries to take advantage of greater market access while reducing the cost of imports to Canada's apparel manufacturers.

All these benefits to developing countries will happen without Canada increasing the size of its foreign aid budget by a single penny.

We have heard that the OECD has estimated that the quantifiable gains worldwide from the trade agreement will be hundreds of billions of dollars. I strongly believe therefore that not only will the WTO in this agreement help Canada; it will help others. In helping those in the third world to acquire a handle on their own existence, their own lives, and to reduce poverty in developing countries it will create tremendous new business opportunities for us, for exporters from Canada and from other parts of the developed world.

The increased demand from the wealthier consumers and growing economic engines of these burgeoning economies will provide many new customers for Canadian exported goods and services.

The result then is not only that we will have liberalized rules for us, the developed and industrialized countries; we will have created in the agreement a set of liberalized rules which bring for the first time developing countries into the true international world trade framework. This will have great benefit for all of us. Canadians are selfless people. Even under times of fiscal restraint we remain very concerned about development issues in the third world.

• (1635)

The member for Peace River and I learned a great deal about this when we were travelling across Canada together on the Standing Committee on Foreign Affairs and International Trade of the House. We heard from many Canadians about the need to upgrade the living standards in third world countries.

The agreement will do that. It will help to achieve that goal not through aid, not through charity, but by enabling people to earn livings for themselves. For that reason as well everyone in the House may take the agreement and say how important it is not only for ourselves but for the establishment of a better, more just global society.

I wish to turn now to some remarks on the World Trade Organization. The other members who have spoken in the House have spoken about the World Trade Organization. It is, as the minister said, to some extent along with the Europeans a Canadian success story. We may take pride in it. It was our initiative. It is also in our interest. It creates a framework for discussing issues of tremendous complexities, trade linkages, the link between trade and the environment, the link between trade and labour standards, and to some degree the linkage between trade and human rights.

It will provide a framework for the admission of new members to the trading community, primary of which in my view is China that may well may become the largest single economic unit in the world of the 21st century.

Yesterday when I was speaking in the House I quoted Mr. Kuan Yew Lee, the former Prime Minister of Singapore, who said that China would not be just a new major actor but would be the single most important economic power in the world by the year 2025.

It is important that China be integrated into the world economic community, integrated into the world trading community and integrated in a way where it is subject to multilateral rules and disciplines the same as the rest of us. That will be the job of the World Trade Organization. That will be a job that we as Canadians will be involved in as members of the World Trade Organization, just as we will be involved in the bringing in of Russia, Taiwan and other countries.

The minister pointed out in his speech that the agreement produces rules, a rules based system. It deals with such things as countervail and subsidies. It sounds like a very arcane and obscure area of trade law, a subject which I had the privilege of teaching for many years at law school. However this is not just an arcane and obscure issue. This is something which touches many Canadians. When we export our products we do not wish them to be subject to non–tariff barriers imposed upon them by other countries. Countervailing duties and anti–dumping duties represent such non–tariff barriers. The agreement directs itself toward putting constraints on countries which would seek to use such unilateral constraints on our exports.

The agreement addresses the question of trade related investment measures, an extraordinarily important area which requires the development of multilateral rules. It deals with the issue of trade related industrial property measures which also require new sets of multilateral rules. It expands the old rules on government procurement which, as the member for Verchères pointed out, represents about $125 billion in potential export markets for Canadian goods.

Perhaps most important, it provides a framework within which new rules will be developed, new ideas will be exchanged, old rules will be modified and liberalized and Canada will participate. As the member for Peace River said, there will be future work for the WTO and there will be an important future role for Canada in that WTO.

It also creates an important new dimension in international trade rules. The agreement sets out a new form of dispute resolution mechanism. It does not do us much good to have multilateral rules if there is no way to interpret, apply and enforce them. The old agreement of the GATT, while it was successful in some respects, depended a great deal on consensus for the enforcement of its rules. This new agreement will have a new enforcement mechanism which will apply these multilaterally accepted rules in a way which will guarantee that they are fairly applied to all participants in the international economic area. That is important for us.

• (1640)

We as Canadians have been involved in many international trade disputes. We have won some and we have lost some, but we have always participated with a view to strengthening the multilateral system where our interest lies, and we will continue to do so under the agreement.

I cannot help but comment in that context on the importance of the agreement to members of the House. When we look at the new agreement, the WTO and the Specialized Service Council, I think we are looking at new instruments of world governance. Parliament must become conscious of the way our decision making process is integrated into world institutions. This is a great challenge to all of us.

When the minister referred to the blurring of lines between domestic and international measures, he challenged us to recognize the degree to which we are becoming integrated more and more into the international community, how our domestic laws must reflect that integration, and how we as Canadians must and will adapt to that as we are doing with the measures proposed in Bill C–57.

[*Translation*]

I think lessons can be drawn from these negotiations. They produced both a new set of rules and a world trade organization, a new international institution that will be very important for Canada. We were able to get new rules on subsidies and countervailing duties and on public markets, an agreement on barriers to trade processes, a reduction in tariffs and disciplines on non–tariff barriers, an agreement on services, and a new

international institution, the World Trade Organization, largely the results of efforts by Canada.

All Canadians, and especially Quebecers, will benefit from this system, since, for reasons the hon. member for Vercheres stated in his speech, this agreement and this act meet Quebec's needs because Quebec's economy is part of the world economy. Quebecers will especially benefit from the World Trade organization, which will provide for a more efficient dispute settlement system.

I believe we were successful in these negotiations because we were united and had one single voice at the international level, and this is very important to us all. And we will succeed in the future in the World Trade Organization only if we remain united. United we stand. The great challenges of the global economic integration are such that we must remain united in this country to have a strong voice in international negotiations and organizations.

[*English*]

As observed by the minister and others, this is a comprehensive agreement of great complexity. It both deepens and widens the extent of the rules governing international trade. There will be sceptics who will attack it. I remember when George Will, an American conservative, speaking of trade used to always say that free trade falls somewhere between Christianity and jogging on the list of items much talked about but seldom practised. This new system seeks to ensure that good multilateral rules will be practised because they will be enforced.

There will be those who would like to reject the agreement, but these are the facts. It involves our closest trading allies, the United States and Europe, and our potential future allies, Latin America and most of Asia; 120 countries in all including the developing countries have been brought into the world trading system.

It addresses the problems of goods trade and brings in services trade to the benefit of exporters and to the benefit of consumers. It advances Canadian interests in establishing a rules based system, with credible rules established by multilateral consensus which are enforceable in a new important international body where Canada can help frame the rules of importance to our citizens and to our future economic growth.

• (1645)

Overall, Canadian interests are advanced. Negative impacts on some sectors have been alleviated by long lead–in periods for tariff reductions or the reduction in non–tariff barriers.

We cannot opt out of this agreement and we cannot opt into the parts we like and out of the parts we do not like. As a parliamentarian who believes strongly that Canada's best interests are served in advancing a world order in which we can advance our interests and our values, I look at this bill implementing the Uruguay round to see whether it faithfully translates the international obligation we have entered into into our domestic law.

My conclusion on looking at it is that it does so. It is also my conclusion that it is in our interest to adopt this legislation. It advances our trading interests and promotes economic and social order on a global scale.

[*Translation*]

In this sense, as I said earlier, Canada can play a decisive role in this new global economic system in the making. But, for this to happen, we have to remain united. The wealth, future and well–being of all Canadians including Quebecers depend on it to a very great extent.

[*English*]

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, I have enjoyed listening to the hon. member for Rosedale who I understand knows quite a lot about trade relationships. I would like to get the benefit of his expertise in interpreting something that I see was introduced before the U.S. Senate on September 27. There are two clauses that epitomize some problems that I and my party have continued to have with all trade agreements in that the U.S. constitution differs from the constitution of virtually all the other signatories of these agreements. We have two clauses here to which I would like his reaction.

The first is in section 102(a)(1) which states: "United States law is to prevail in conflicts. No provision of any of the Uruguay round agreements nor the application of any such provision to any person or circumstance that is inconsistent with any law of the United States shall have effect".

It appears to me the United States is doing the same thing it has done on all international agreements. If it is in the interest of the U.S. to ignore the international trade law and impose its own, it does so.

In section 122 regarding implementation, I note that the minister indicated that there would be application of the laws, that this was a good forward step because the use of decision making by consensus was going to be abandoned in this agreement, and yet section 122(a), the law that is before the U.S. Senate right now, contains a clause which states: "We continue the practice of decision making by consensus as followed under the GATT in 1947 and as required".

This means, it seems to me, that the U.S. will, if it does not get consensus, simply have almost the effect of a veto. I wonder if the member could comment on whether we are going to have full integration and full co–operation by the U.S. given its special circumstance with its constitution and with its more than 200 years of resisting international law on its country.

**Mr. Graham:** Mr. Speaker, the hon. member's question raises some very profound issues. I would love to refer him to my previous trade law book but I understand the Speaker will not allow us to use props in the House.

• (1650)

If I can sell the odd copy of the book to the member, this might advance internal trade in Canada as well as external trade.

Perhaps I should adopt a lawyer's safe tactic of saying that not having read the provisions the member referred to I would like to actually see them in print before I give him a specific answer.

For the benefit of the members of the House and for the record, however, my understanding of section 102(a)(i) which the member referred to is somewhat more complicated than that to which the member suggests is its import.

The United States under its constitution, the member will forgive me here if I am entering into the domain of the United States constitutional law about which I have no right to speak technically, provides the treaties and executive agreements of the President are the supreme law of the land.

As a result they will prevail over inconsistent state laws. This has caused some troubles in the past. There have been some United States cases that have sought to challenge domestic laws that were inconsistent with GATT rules on the basis of the fact that they had been trumped by article 8 of the U.S. constitution.

My understanding of the provision the member referred to was just to make sure that no domestic law of the United States could be challenged by using a GATT rule. If in fact I am right about that there may be nothing particularly nefarious about that in the sense that basically is true in Canada as well, except that we may be able to use a constitutional way of attacking provincial statutes by referring to the constitution and the federal trade and commerce powers and things like that. One can develop complex arguments in this area. It is not as clear here as it is in the United States. The section the member refers to does not bother me as much as it does him.

The second section he refers to bothers me a great deal because this has been a practice in the United States. If one looks at the 1974 Trade and Tariff Act in the United States for example, the United States entered into the Tokyo round agreements and then Congress tacked on all sorts of interpretary measures saying: "Well if it says this, we are going to interpret it this way", or "We are not going to apply it in our domestic law that way" and of course completely eviscerated the intent of the international code which was precisely designed to put constraints on the American system in the way in which it applied.

If that is what the congress is trying to do in this bill then we have to be aware of it. I would draw to the member's attention the statement of the minister in introducing this bill, which is very wise.

The minister said: "We are going to look and see how this is being applied in other countries". In other words in the past we have been the boy scouts who have said: "We will apply this" and then we find out later that somebody else in applying it has sort of done an end run around it.

Clearly the minister has indicated to the House, and I like all other members of the House I am sure, am very content to see that we are going to take a cautious position of let's see how others apply this before we rush in and say that we will give up everything and let them apply it unfairly.

I might say to the member that I also understand from talking to certain European countries' representatives that they are taking the same attitude. Particularly the French government feels that it has been burned in the past. It too is standing back to see how the United States will apply the domestic round in its legislation.

I wonder if I could just finish this observation by sharing with members of the House my view of how much the exchange we have just had illustrates the degree to which those of us in this House are going to have to be more and more aware of international rules and international developments in the way in that we apply and draft our domestic legislation. More and more of our domestic legislation will reflect internationally achieved agreements and more and more times we will be called upon to examine how other countries are applying theirs.

The member's question is extremely relevant and one that all of us in the House must keep consciously aware of at all times to ensure that we get a truly fair unilateral rules trading system and not one where unilaterally some countries manage to get out from under their obligations via their domestic rules.

I hope that we will make sure in this country that we do not try to do the same thing.

[*Translation*]

**The 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 Lévis—Manpower Training; the hon. member for Portneuf—Privacy.

• (1655)

**Mr. Philippe Paré (Louis-Hébert, BQ):** It is a pleasure for me to rise today, on behalf of the Bloc Quebecois, to speak to Bill C-57, an Act to implement the Agreement Establishing the World Trade Organization.

First, I would like to confirm to the House that the Bloc Quebecois supports this bill implementing the agreement that resulted from the Uruguay Round for two reasons. First, the

Bloc Quebecois is well–known for its openness to the world. It is then only logical that we should support free trade. Second, since Canada signed the Uruguay Round agreement reached in December 1993, it is now imperative that every signatory country pass an implementing act. The Bloc Quebecois recognizes the validity of the agreements reached by more than 100 countries after seven years of constant efforts.

This makes sense because it is consistent with the assessment Quebecers made when they had to give their opinion on free trade. Remember that without the support of the Quebec government, the North American Free Trade Agreement would never have materialized, particularly since the Liberals, who formed the Official Opposition in those days, fought against the free trade project, no doubt because of their natural and traditional aversion for Americans. As of today, recent surveys still show a much stronger support for free trade in Quebec than anywhere else in Canada.

Members of the Bloc Quebecois are sovereignists and understood a long time ago that sovereign states cannot survive in a vacuum. On the contrary, in the age of the global village, trade of all sorts takes place between countries on an almost daily basis. This is why it is so important to work towards the elimination of customs tariffs, which are a drain on consumers.

Although globalization is undoubtedly an irreversible phenomenon, and one that has my support, this does not mean that it is irrelevant to question its impact on the more vulnerable populations.

We must not think that the pressure of globalization affects only the poor in developing countries, for if we are to believe the Minister of Human Resources Development, he was virtually obliged to make cuts in the social safety net through his reform of social programs by the International Monetary Fund and the World Bank. He cited the threat that these international financial institutions would impose cuts on us, if we did not take action ourselves. Despite the somewhat hypothetical nature of the assumption, the minister continues to try to make Canadians believe that his plan is above all a reform of social programs.

In this connection, I would like to read a few paragraphs from a text written by a group of professors in social law from the Université du Québec à Montréal that was published in *Le Devoir* last October 21.

Here is the quote: "We are being told that with the liberalization of trade, the globalization of markets and of the economy, and the size of our debt, we apparently have no choice but to conform to the international market and to the capital flow. This makes it sound as though the economy is an entity somehow divorced from politics over which governments have no control. To accept this would be to accept that democracy no longer has any meaning, that those who make the decisions assume no responsibility in the political process. This democratic deficit reduces our government to the status of a mere cog in the machinery of financial markets".

The Liberal Party must assume a large share of the responsibility in this situation, for it is recognized that it was the Liberal government in the 1970s that launched the cycle of repeated, unrestrained deficits, by using its spending power to invade the jurisdiction of the provinces. This has to be the ultimate abdication of responsibility: interfering with others while mortgaging the lives of future generations.

• (1700)

I want to take this opportunity to advise hon. members of my reservations about the trade practices of industrialized countries and more specifically, those of Canada vis–à–vis developing countries. Perhaps I may provide a brief historical overview to shed some light on the dramatic impact of the globalization of world markets on developing countries.

Our current economic and financial system is the result of gradual changes that have been taking place in the western world for centuries. This process was accelerated in the previous century during the industrial revolution, when the western world experienced a number of major disruptions including urbanization, the birth of the labour movement, the growth of the public sector, the creation of the welfare state, and so forth.

Although these changes took place over a long period of time, the process was not always a smooth one. Nevertheless, western society was able to impose its model on the rest of the world. Although decolonization in the sixties led to the birth of many new states, nothing was done to adapt the western model to the social and economic needs of these new countries, referred to as the Third World. Furthermore, these same countries did not enjoy the luxury of experiencing these changes as part of a gradual process, which was the case in Western countries. Now they have to adjust quickly to change if they do not want to miss the boat, they are told.

In addition to these pressures and oblivious of our own treatment of the environment, we impose environmental standards that we did not have the foresight to impose on ourselves. The president of the General Assembly of GATT, a citizen of one of the Asian countries, said that he was afraid Western countries would impose a new form of protectionism, in the guise of protecting the environment.

Environmental problems should be considered from a global perspective. We are all responsible for protecting the environment, since its deterioration has global consequences and is often caused by international, economic and financial considerations.

A case in point is the deforestation of the Brazilian Amazon. Many scientists predict that if nothing is done to stop this ecological holocaust, this tropical forest will disappear in less than 70 years. With disastrous results worldwide. Overdevelopment of Amazonian resources was, and is, to a large extent a by–product of Brazilian economic development, which was, in

turn, precipitated by the fall of terms of trade to global levels and the debt crisis.

In the 1980s, the Brazilian government tried to get over the debt crisis and counter the devastating effects of the decrease in the rate of exchange on its economy. On this subject, the Bruntland Commission reported that efforts to find new products to export in large quantities and to come up with domestic alternatives to replace imports caused a sharp increase in pressures on the environment and resources, as well as the deterioration and overdevelopment of the environment caused by the increasing number of have–nots in towns and rural areas, who are struggling to survive—In other words, in Latin America, natural resources are not used to promote development or to improve living standards but rather to meet the financial requirements of lending countries''.

If developing countries default, international financial institutions impose a drastic remedy: structural adjustment programs, to use a politically correct term that hides their devastating effect, because the poorest of the poor always bear the brunt of such measures.

• (1705)

Take the classic example of food riots in Tunisia, just a few years ago. At the time, Tunisia was going through difficult financial times, but instead of striving to resolve the real problems, such as flight of capital and corrupt political leaders, international financial institutions imposed drastic measures and, in the end, the people of Tunisia were the only ones penalized.

Following the failure of communism and the fall of the Berlin wall, only one model remained: the capitalist model. This model, while capable of generating wealth, appears unable to bridge the gap between the rich and the poor. On the contrary, we can see a new reality emerging, a reality with far–reaching implications: the extinction of the middle–class. It must be recognized that this system did not prevent major inequalities around the world. Nevertheless, the great success of capitalism in the Western world is probably due to a combination of the following elements: democracy, the rule of law and liberalism. But this is not found in most southern states.

Do you remember, for example, how easy it was for the military to flout democracy in Haiti and how long it took the international community to impose its views and return President Aristide to power? During these three years, the rich in Haiti got richer by exploiting this tragedy to their advantage with the Western world's silent complicity.

Despite all opposition, the capitalist model is imposed on our southern partners with its now well–known distortions which have tragic results for two thirds of the world population. To alleviate our feelings of guilt, we invented official development assistance. According to a recent report from the United Nations Development Program or UNDP, rich countries extort from poor countries ten times as much as they give them in assistance.

Yet, industrialized countries keep extolling the benefits of trade globalization. We impose trade regulations through agreements like those from the Uruguay Round, but we say nary a word about the possibility of also imposing a democratic system of government. Universal principles can only apply to trade; when we talk about human rights, we say that it would be wrong for the West to impose its own non–universal principles on the rest of humanity. Out of respect for different cultures, we refuse to impose respect for human rights, but we use our financial power to impose our economic model.

How could I not quote here the words of the French scientist and humanitarian Albert Jacquart: "The law of the market does not exist if one does not believe in it. The price of oil and of coffee is set by a small number of people, on the principle that might makes right. It is cynical to claim that it is the law of the market—Humanity is entering a profound revolution. We must abolish competition and favour exchange. Competition means that the great majority submit to the very few. Competition is poisoning our society."

How can we think that the peoples of the Third World can benefit from the type of development that is imposed on them if we do not recognize their right to participate fully in the political and economic life of their countries? In many of these countries, the people are kept from any participation in political power. Too often, the OECD countries, including Canada, provide bilateral aid to illegitimate governments that sometimes use this aid to acquire more weapons so as to keep their people in a state of terror.

• (1710)

Sometimes big Canadian companies with funds from our official development assistance budget obtain turn–key infrastructure contracts in developing countries that will maintain these countries' dependency by including maintenance contracts as well.

All this leads me to question the correlation between Canada's official development assistance policy and its trade policy for developing countries. What we give with one hand we hasten to take back with the other.

Several organizations involved in international co–operation, including the North–South Institute, notice that Canadian protectionism vis–à–vis developing countries is very costly for the latter, but also for Canadians. For example, restrictions imposed by Canada on textile imports from Bangladesh represent, and I quote: "close to three times the level of our intergovernmental assistance". The fact is, however, that the

greater part of our assistance to that country is in the form of humanitarian aid. Is this the Canadian government's idea of international co–operation? To help alleviate human suffering, instead of directly going after the causes of that suffering.

Do you not think that this practice goes against the Canadian will to base our assistance programs on the principle of sustainable human development? The United Nations Development Program estimates that barely 10 per cent of Canadian public assistance goes to sustainable human development. Would it not be better for everyone concerned to set in place instruments which would help recipient countries generate their own sustainable and autonomous development?

One solution is multilateral negotiations, which aim to reduce or eliminate the tariff and non–tariff barriers in international trade agreements. The Uruguay Round is a step in that direction and the new agreement is also an improvement over GATT. Countries from the South must be able to export their products to the North in order to benefit from their relative advantages.

Still in the textile industry, it goes without saying that the elimination of the Multi–Fibre Arrangement, which favoured protectionism for industrialized countries is one of the most positive changes for developing countries. The new agreement does, however, provide a long transition period of up to ten years for Canadian industries. With the new rules on textile products, problems such as those affecting Bangladesh, to which I referred earlier, will disappear.

In conclusion, we think that the Uruguay Round Agreement is a step in the right direction for international trade relations. However, it is vital that Canada conduct an in–depth review of its trade practices with developing countries and be a leader in that regard among the international community, so as to ensure a greater degree of reciprocity and social justice at the international level.

[*English*]

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, I welcome this opportunity to speak on this extremely important bill.

As most in this House are aware I have had a longstanding concern over the potential impact of global trade law on domestic policy, especially on domestic policy initiatives relative to agricultural policy.

As a party and as a government we have tried to find a balance. The red book made the following statement with respect to GATT: "Free, fair and open trade is essential to the future of our country. A successful Uruguay round of GATT talks would give Canadian firms the opportunity to invest, create jobs, and develop technologies and products and, most important, to trade".

• (1715)

Further commitments were made in the red book relative to agriculture. This statement was made: "Liberals believe that farm families need long term programs to assist them in securing their future so that they can continue to provide Canadians with the best quality food in the world. Canada's agri–food industry needs policies and programs to minimize the impact of market price fluctuations".

Just recently I had the opportunity to speak to a group in Prince Edward Island on community economic development from a global perspective. In my research for that presentation I did some investigation and some important points have been made about the reality of the current globalization pressures.

A recent article in *Policy Options* pointed out that globalization requires a new perspective on the nation state: "The way domestic and international policy is developed and debated seems to be changing. In the past the policy process was guided by the national interest. With increased globalization however the national interest must be redefined and balanced against transnational interests". That tells of the pressure domestic governments are under when facing increased globalization and from an economic view the almost global governments with the agreements we are talking about today.

In essence there are two sets of global forces active internationally and it is important to understand them. The first is the international trade and banking forces that refer to the free circulation of goods, services and capital. The second is that of new social movements, international environmental groups and human rights organizations. I have had the opportunity in a previous capacity of being involved extensively with agricultural organizations meeting internationally to come to grips globally with some of the problems of primary producers.

In spite of the fact that the two forces I mentioned are for most part confronting one another, they both share one common purpose: They transcend national boundaries in terms of influence, and the promotion of these interests often involves the reduction of national sovereignty.

There would appear to be a certain degree of inevitability attached to the movement toward greater globalization. The Canadian experience has long placed an emphasis upon the notion that greater good resides beyond local needs.

There is another quote from *Policy Options* that is important for us to recognize as it relates directly to Canada: "As the Canadian experience suggests, when the promotion of transnational interests conflicts with measures aimed at protecting local interests, the former incline toward the elimination of those measures in order to promote greater overall equality of efficiency".

In terms of meeting the challenge of increased globalization which these trade agreements lead to, Canada must begin to clearly define what our national interests are. During the last year we have had a lot of discussion on the results of the negotiations and their impact on this country, both positive and negative. We are a trading nation and I support strong export trade initiatives. I also support strong domestic policy initiatives within the country and I do have a concern about the impact on sovereignty within the country.

The benefits of this deal will and have been emphasized. The problem is with the sectors which will be adversely affected and the response to those difficulties. We should not rush this legislation through until we know exactly where the United States stands. The government should not commit itself to passing this legislation until the United States has passed its legislation at the very least. I was pleased to note that the minister made that point.

• (1720)

Key to the intent of the GATT agreement reached in Marrakech is again what happens south of the 49th parallel in the United States. Let me turn for a moment to the points the minister made. As the Minister for International Trade stated in part in his opening remarks, this law we are debating today amends our laws in accordance with the agreement established in Marrakech.

In Marrakech the Minister for International Trade stated: "More important, our success confirms the conviction of the drafters of the Punte del Este declaration that nations could rise above their narrow parochial interests to create a trading system accessible and beneficial to all trading partners". I underline all trading partners. The minister said: "Canada is a country heavily dependent on trade. We are and will remain committed to developing a strong international trading system. The GATT has been the cornerstone of our trade policy".

We have to recognize that in the United States there is strong pressure on Congress and the U.S. Senate to somewhat change the intent of the Marrakech agreement. Just to indicate the kind of pressure that is being put on the American administration, I have a paper from the United States Business and Industrial Council in Washington dated 1994 which gives its views on the World Trade Organization and how it is applying pressure on the U.S. not to abide by the agreement based on its original intent.

I will read the conclusion of the paper: "The only way that international bodies such as the World Trade Organization gain strength is to take power from their member countries. This is precisely what the World Trade Organization does. The WTO is a stealthlike power grab by international bureaucrats of unprecedented proportions. It diminishes U.S. sovereignty. It shifts control to a world trade system from developed nations to small and underdeveloped countries. Most significant, it creates an international autocracy that overlays United States democratic institutions". I point that out to indicate the kind of pressure the United States is under.

My concern about the United States implementing legislation is very real. As I said earlier I was extremely pleased to hear that the Minister for International Trade will not push this legislation through until we know exactly where the United States stands. The U.S. Congress will sit in a special session from November 29 until December 1 to consider and vote on implementing legislation for the World Trade Organization. I am concerned whether or not the U.S. abide by the agreement.

Let me turn for a moment to what the Senate bill and the House of Representatives bill in terms of implementing legislation states. Under the U.S. implementing legislation, section 102(a)(1) states: "United States law to prevail in conflict. No provision of any of the Uruguay round agreements nor the application of any such provision to any person or circumstance that is inconsistent with any law of the United States shall have effect".

• (1725 )

As well, the United States statement of administrative action released by the U.S. trade representative's office provides the following interpretation of the provisions contained in section 102(a): "Section 102(a)(1) clarifies that no provision of a Uruguay round agreement will be given effect under domestic law if it is inconsistent with federal law, including provisions of federal law enacted or amended by the bill".

United States trade representative Mickey Kantor in an October 21, 1994 interview stated the following with respect to U.S. sovereignty and the World Trade Organization. Keep in mind this was only days ago. He said: "Our sovereignty is more protected under this new agreement than it has been in the 47 years of the old GATT. Section 102 of the implementing legislation is clear that when there is any conflict between either the Uruguay round agreement or any regulation thereunder and U.S. law, the U.S. law applies in every case". If the U.S. follows through with that kind of law it will be unacceptable to us. We have to be very, very clear on that point.

I believe section 122 was mentioned by a previous speaker. I will leave that for the moment. It is on the record but I do have serious concerns with section 122 of the United States implementing legislation as well.

There is very strong reason to be concerned. One of the problems for us in Canada especially in the agricultural sector has been the trading practices of our neighbours south of the border. They have continually used the export enhancement program to cause problems for Canada in terms of our export relationships. They have certainly driven prices down worldwide which has made it necessary for us to subsidize grain producers in Canada much higher than we would have normally done. They have certainly caused difficulty for the Canadian

Wheat Board in terms of the wheat board maximizing what is in the international marketplace.

It is important to understand where the Americans are coming from in the future use of their export enhancement program. According to the U.S. statement of administrative action which accompanied the implementing legislation I talked about, the EEP will be extended under the provisions of the legislation through to the year 2001 while removing the requirement in U.S. law that the EEP be used only to discourage unfair trade practices.

The statement of administrative action indicated that: "Combating subsidized competition in third world trade organization member markets will remain a priority for the U.S. for two reasons: First, the European Community, the EU, has higher export subsidy ceilings than does the United States. Second, the agreement on agriculture requires further multilateral negotiations on trade distorting subsidies and import protection in five years. The use of U.S. subsidies in the interim should help induce the European Community and others to agree on further reductions in those negotiations". If that is the intent of the United States administration then it is in fact advocating the violation of the GATT agreement we signed in Marrakech. We cannot allow that to happen.

During a speech to the Canadian Club in Regina on September 9 and before the standing committee on agriculture on September 29, our minister of agriculture described the export enhancement program as the "worst trade distorting policy on the face of the earth". I believe the minister called the export enhancement program and the trade practices of our neighbours to the south for what they are, the worst trade distorting policy on the face of the earth.

• (1730)

We have to be absolutely sure that the U.S. is going to abide by the agreement it signed in Marrakech and not compromise our internal domestic policy any further, or put us in a difficult position in future negotiations until the U.S. has committed itself to the intent of the agreement by legislation in the United States Congress and Senate.

We have accepted that there will be important gains in other areas as a result of the negotiations and this legislation. I believe we have an obligation as well to indicate to the Canadian public those areas where there may be difficulties and an obligation to assist them.

Under the Access to Information Act I have acquired a document entitled "Impact of the GATT Agreement on Canadian Agriculture and Agri–Food". According to the executive summary of that report, farm and agri–business sectors in western Canada will benefit in terms of net cash income by between 5 and 15 per cent. However, the same cannot be said for eastern Canada. According to the summary the net gains in farm income for eastern Canada would be relatively small, but at least they are gains.

In provinces where most farm income is derived from supply managed commodities, the largest negative impact would be caused by the new access commitments. The summary went on to state with respect to positive and negative impacts: "Tariffication may introduce additional uncertainty in supply managed sectors by allowing for the possibility of occasional downward pressures on domestic prices due to the volatility in world or U.S. market prices".

The main document indicated: "The major concern of the Atlantic provinces in the supply managed area is the viability of the national plans. Seeing themselves as higher cost producers they fear the loss of production rights to other provinces under more liberal quota trading arrangements".

I raise these points to emphasize there are wide ranging implications of which we must be made aware. We have to take the time in discussing this bill to understand the implications and try to find the solutions for those industries that may be negatively affected.

In the United States there is a lot of involvement at the congressional committee level. Should we be allowing the most affected sectors, such as agriculture, to be examined by the standing committee on agriculture as well as the House committee that is going to look at the bill in total?

I would have to ask the minister to consider that question. A lot has to be done beyond this legislation. The Parliamentary Secretary to the Minister of Agriculture and Agri–Food is examining supply management and the implications of the GATT agreement on that industry, with a view to enhancing the interests of commodities affected by the agreement. That is a very important exercise.

Through it all we do not want any surprises from south of the border. That is my most important point. We expect the United States to abide by the intent of the agreement and to do so in legislation. That includes the tariffs that have been brought in to replace import controls relative to the supply management industry.

• (1735)

I do not accept the notion that supply management is not an option for the future. I do not believe that we should, because of globalization and international trade agreements, always find ourselves in the position of adapting and adjusting.

As a farm leader I have had the opportunity to meet with other farmer leaders around the world. Farmers around the world are demanding systems like supply management in their countries. We have to challenge future negotiations for trade agreements to give countries that opportunity in the future so that they may bring those into place.

One of my concerns, as the minister knows, has been that we have to be careful that this agreement does not become a model based on trade in economic terms regardless of the consequences for people, land base, the resource or the environment, trade in which the powerful dominate and capital dictates and the rights of individuals become subservient.

I point out that concern to put it on the record. Having said that, I accept the judgment of the minister relative to this bill and believe that if we can be assured that other countries are going to abide by the intent of this agreement it will improve and move us toward fairer trade practices and a level playing field.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I listened with great interest to my colleague from Malpeque. I know that the hon. member, although he did not mention it explicitly in his presentation, has wide and long standing experience in the agriculture industry.

I wonder if the member would comment on something that has been troubling me about GATT, based on our experience with the softwood lumber industry and grain, and the problems we have had with the United States. It seems to me that a deal is not a deal unless it is to the Americans' advantage, period, pure and simple. Even when we have a signed deal it is only signed and there are always 100 reasons why it is not accurate unless it is to the Americans' advantage. That is not necessarily bad because they are looking after their own interest.

How will our supply managed sectors compete internationally if they cannot compete internally, domestically? We still have not broken down the trade barriers within Canada. If we have learned nothing with free trade we should have learned as a nation that we had better make sure we have all our barrels loaded because we are going to need them when we get into a trade war.

How are we going to compete internationally with our supply managed sector if we cannot compete freely domestically? We have high interest rates and a very high tax rate in Canada vis–à–vis our major trading competitors because of 30 years of government overspending and the deficit. Our interest rates are considerably higher than those of our American neighbours with whom we are competing.

How will we compete internationally with our major trading partner if we are at a disadvantage because of the dollar, because of interest rates, because of our debt, because of our chronic overspending at all levels of government and particularly, what is going to happen to the supply managed industries going into a competitive situation?

**The Deputy Speaker:** The hon. member for Malpeque might wish he had a good deal of time to respond but he has about five minutes.

**Mr. Easter:** Mr. Speaker, I appreciate the question.

No doubt the supply management industry is affected somewhat by the agreement. Regarding the point on efficiency and can we compete, we have to understand that there is the misconception that every producer is guaranteed their cost of production. That is not correct. The supply management industry has become the efficient industry it is because the formula that we operate under is based on the most efficient producers in the industry. Always some at the bottom end are losing money and some at the top end are making profits.

• (1740)

Our industry, because of the security of the supply management system, has developed some of the best genetic breeding stock in the world. Knowing they would get a return on the sale of their product, our producers were willing to invest in the industry, in the breeding stock and expand their herds.

I personally believe that when you look at the supply management industry, what you find is someone making the best use of his or her resources. I know what is held up as comparison is what is happening south of the border. They are not making good use of resources down there.

People within the dairy industry are going under, rural communities are in havoc, dairy plants are closing. They are moving to artificial hormones to increase their milk production in order to survive. In the U.S. it is a game of survival while we have made good economic growth here.

On the member's other point I believe that the level of our dollar is a trade advantage when it comes to export sales. The member talked about the dollar and interest rates but I believe the systems that we have in place are great advantages to business.

The unemployment insurance system I believe assists businesses as well as labour. The level of the dollar at the moment helps the trade relationship. The government is involved in research and development which we should be involved in more than we are already. Industry gains substantially as a result of government involvement.

**Mr. Ted White (North Vancouver, Ref.):** Mr. Speaker, I have to mention right at the beginning of my speech that Bill C–57 is a very lengthy piece of legislation. There are over 140 pages of text. I am correct in saying that the bill affects about 31 other federal pieces of legislation. It makes changes to make it compatible with those.

Earlier this month I introduced a private member's bill to the House. It was a bill designed to ensure that all legislation should be written in plain language. If ever there was a case of the need

for plain language, it is in the 146 pages of this bill. The reason for saying that particularly is that a very large number of Canadians will want to study this bill.

It covers an area of commerce that is of great interest to the average Canadian and they will want to read it either directly or indirectly through the organizations to which they belong.

Many different interpretations are going to result from this scrutiny of the bill. While plain language would have a tendency to lengthen some bills it would be helpful in this information age if the material that we discuss here was easily understood by the average person who is reading it.

There has not been a lot of time to study this bill since it was introduced just yesterday and because its complexity requires a fair amount of study, we are going to have to do it section by section. At this stage we really just have a bit of an overview of the whole bill.

Reformers are believers in more open and less restrictive trade practices so at first glance there appears to be fairly good reasons to support the bill. Its title is an act to implement the agreement establishing the World Trade Organization.

Canada was a signatory to the Uruguay round agreements of the General Agreement on Tariffs and Trade, otherwise known as GATT, which was completed in April of this year.

Bill C–57 authorizes Canada's participation. When I began to read through the bill, I discovered at a very early stage, in fact on page 4, clause 7: "For greater certainty, nothing in this act or agreement, except the Canadian schedule to the General Agreement of Tariffs and Trade 1994 set out in annex 1A to the agreement, applies to water". That is the key.

• (1745)

The content of Annex 1A along with the definition of water in clause 7 seems, certainly at first glance with the limited time that we have had to study it, to deal very effectively with a Reform concern that Canada's sovereignty over its water must be protected.

Having control over our water is of great importance to voters in B.C., and so it is a great relief to be able to report to my constituents that it looks like there will not be a problem with that aspect of the bill.

Another area of concern expressed by B.C. voters related to previous trade deals is the way in which subsidies are interpreted by foreign governments. The B.C. wood industry has had more than its fair share of challenges from the U.S.A. over what is and is not a subsidy. There has been clarification in this agreement as to what constitutes a subsidy for the purposes of the GATT agreement and this new definition should limit the ability of the United States to unilaterally define a subsidy for the purpose of countervail—good news, as I said earlier, for the wood industry in B.C.

The subsidy definition seems to make it clear that non–trade distorting government assistance programs, such as social programs and general labour adjustment programs, cannot be exposed to countervailing actions. Reform would like to see the end to subsidies to special interest groups and also to business. It is important that our Canadian social programs are not unilaterally interpreted as subsidies by other countries.

Now that I have dealt with the general areas of concern that are brought to my attention whenever constituents are talking to me about trade agreements, I would like to summarize some of the items that specifically affect B.C. in this agreement.

Based on my study of the available material, it appears that tariffs and non–tariff barriers on wood, plywood and other wood products will be reduced by an average of about 50 per cent over five years. Tariff and non–tariff barriers to paper and paper products will be phased out over 10 years in participating industrialized countries. This should mean improved market opportunities for B.C. paper and wood products in Japan, in Korea and other far eastern countries, as well as in South America.

The agriculture and food processing industries, processed fish products, non–ferrous and fabricated metals, pharmaceuticals, chemicals, plastics, medical and scientific equipment, will all experience reductions and/or elimination of tariffs and non–tariff barriers.

For a trading province like B.C. which has developed a much more diversified export sector than is found elsewhere in Canada, all of these tariff reductions have the potential to foster greatly increased export opportunities.

I do not think I am quite ready to cross the House and join the Liberals yet but provided they do not vote against their own bill it looks like they are making progress in understanding that government needs to get out of the way of free enterprise. I think that most industries in B.C. will be fairly happy with what this bill proposes.

There is, however, one set of provisions in the bill which will make B.C. consumers unhappy. They will not like to see that the mainly Ontario and Quebec dairy and poultry industry is going to be protected against having to compete by tariffs of up to 351 per cent; no relief for consumers and very little incentive for the protected industries to become competitive or to face the reality and start producing for other growing markets and to realize that they are now competing on a world stage.

My constituents would like to know why farmers should be treated any differently than any other business. I know that will upset my colleague on the opposite side of the House who was just speaking, but certainly in the business sector where I am from if products changed, if the competition changed, we had to adapt and make those changes with the reality of the times. As my colleague says, they usually get upset about reality.

As I have mentioned in previous speeches, when New Zealand farmers lost their government subsidies—and that was virtually overnight, it was not over a 10 or 20 year span—after the debt crisis they had to adapt very quickly. They simply stopped producing things that were being subsidized by the government and started to produce the things that the market was calling for. New Zealand farmers now farm deer and exotic creatures like llamas and ostriches which have a world market. They grow specialty vegetables and they look for little market niches like specialty wheats that go to make specialty pastas and they have really adapted very well to that change in their market reality.

Unfortunately these 351 per cent tariff barriers will not encourage Quebec and Ontario farmers to look for new markets in this open competitive marketplace. It is a sad fact that Canadians in border towns like the Vancouver area will continue to cross the border to buy their groceries, their eggs, their butter, their cheese and milk in border towns in the United States. The problem is they do not just buy those farm products, they buy a whole host of other products while they are there and that is a major disadvantage to the retailers who are in areas like Vancouver. I am sure that it happens also in Ontario in towns close to the border.

Apart from that the new GATT looks pretty good. I certainly hope there are not too many nasty surprises lurking in those 146 pages but if there are I am certain that Reformers will dig them out and rattle a few cages about them.

In the meantime I look forward to hearing from and studying the speeches in the House and hearing what other members have to say about Bill C–57.

**The Deputy Speaker:** It being 5.50 p.m., the House will now proceed to the consideration of Private Members' Business as listed in today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[*Translation*]

### INCOME TAX ACT

**Mrs. Christiane Gagnon (Québec, BQ)** moved that Bill C–238, an act to amend the Income Tax Act (child support payments), be read the second time and referred to a committee.

She said: Mr. Speaker, I welcome this opportunity today to debate an issue that affects, statistically speaking, the majority of the Canadian population. I am talking about child support taxation. This problem deserves sustained attention and requires a solution forthwith. That is why I tabled in this House the bill now before us.

I must admit that I am sorry this bill could not be selected as a votable item because a Supreme Court decision is pending on the subject of the bill. No doubt it would have been better had the government instead of appealing Mrs. Thibodeau's case before this court, quickly amended the existing provisions that penalize a great many women and children. It seems to me that this is no time to blow hot and cold but to act, which this government refuses to do.

Bill C–238 is entitled "an act to amend the Income Tax Act (child support payments)". As its name indicates, the purpose of this bill is to amend the Income Tax Act to eliminate the unfair and discriminatory basis for deducting child support payments.

The legislation on which the present system is based was passed in 1942. The government argued at the time that, since the persons in receipt of the payments generally did not have an income, the tax deduction was increasing the amounts available to the paying parent, and therefore the entire family stood to benefit from the deduction. Of course the recipients were women who did not work outside their homes.

Then, gradually, this deduction came to be explained by saying that it was actually encouraging fathers to pay support. As soon as women started re–integrating the labour force, they realized that this system was penalizing them. So, as early as 1977, the Canadian Advisory Council on the Status of Women asked that the legislation be changed along the lines of what we are proposing today.

This deduction system is obsolete and unfair for several reasons. First of all, it is unfair because it fabricates an exception to the concept of income, as defined in Section 3 of the Income Tax Act, whereas alimony should not be considered as income. The latter is defined as the income derived from each office, employment, business or property. We can see clearly from this definition that child support does not constitute an income, as it is not a source of new wealth for the taxpayer.

• (1755)

The definition of income was their contorted in order to tax support payments.

Second, this system is unjustified because it is based on the premise that family law, which sets the amount of support, balances the tax burden imposed by the Income Tax Act, which is not true. It failed utterly to correct the unfairness created by Section 56(1)(*b*).

In an article entitled "Thibodeau v. the Queen: Constitutional Challenge to the Taxation of Child Support Payments" published in August 1994, Ellen B. Zweibel offers an in–depth analysis of the problem. This University of Ottawa law profes-

sor attributes the failure of family law to correct the imbalance to two main elements.

First, the parent with custody may not have enough negotiating power to achieve the goal set. She notes that any attorney practising family law knows that in divorce proceedings the solution to financial problems may be affected by the emotional state of the parties and by non–financial considerations such as threats regarding custody of the children. Women are often urged to overlook financial benefits to avoid custody fights.

She then reports that in many cases of separation or divorce where an agreement was reached, the spouses are not represented by separate fiscal advisors. Fiscal aspects are handled in a routine way and not taken seriously enough. I want to add that the organizations I consulted agreed with her findings. They even quoted a distinguished professor of family law who reached the same conclusion.

The Federal Court of Appeal concluded that the family law system was not designed to, and does not, correct the inequities created by the deduction–inclusion system. If this imbalance is not corrected, all the Income Tax Act does is shift the non–custodial parent's tax burden to the custodial parent. Custodial parents pay taxes on amounts which would not be taxed if collected by other people, first, because they do not fit the definition of income in Section 3 and, second, because it is money paid to fulfil someone else's personal obligations.

Another element to consider is that, in reality, the amount of support is rarely adjusted adequately to avoid penalizing the mother. Furthermore, it is often completely overlooked in the negotiation context specific to separation agreements.

As I said at the beginning of my speech, the government's main justification for the inclusion/deduction system was that it encouraged higher payments. This philosophy is based on the concept of income transfer. Since the taxable income is transferable from the father, who presumably is in a higher tax bracket, to the mother, who presumably is in a lower tax bracket, it is expected that the tax savings will lead to higher payments. Nevertheless, these expectations are based on another assumption, which the two factors mentioned in the research report of the federal–provincial–territorial committee on family law, published in August 1992, highlight.

These two factors can be summarized thus. First, it is supposed that the non–custodial parent will use the tax reduction to raise the payments in order to cover the tax loss incurred by the mother. Without this increase, all the tax system does is transfer the tax burden from the non–custodial parent to the custodial parent. Second, it is assumed that all the additional savings will be shared between the two parents. Without this factor, all the tax system does is give the non–custodial parent an advantage, with no more money made available for the child.

In the Thibodeau decision, the Court of Appeal invoked two reasons for rejecting the evidence presented by the government to justify the present system. First, the government's analysis showed that instead of giving parents more financial resources, between 29 and 37 per cent of them suffer a tax disadvantage under the present system.

• (1800)

Second, even if the parents benefited from the system, there was no guarantee that the tax savings would be passed on to the children, for whom this policy was established. It was even concluded that the evidence showed it was not the case.

Finally, the system is even more unjustified since it has been shown that the rate of non–payment has remained very high, despite the income tax deduction. The inclusion/deduction regime is therefore totally unjustified.

Mr. Justice Hugessen, writing for the majority, clearly said that far from being a measured and balanced solution to a given problem, the inclusion/deduction system frequently fails to give any benefit at all to those whom it is allegedly designed to assist; in fact, it benefits those who do not need assistance and contains no control or corrective mechanisms designed to remedy the problem.

I also wish to make a point that is seldom mentioned. Although the inclusion provision was adopted along with the deduction provision, and although they contain parallel definitions of support payments, the two sections are not reciprocal. In fact, the recipient must count the payments received as income, whether or not the payer claims the deduction. That distinction is not very well known. Sometimes, even judges and lawyers are not aware of it and assume that the parties can choose to opt out of that inclusion–deduction system.

At first glance, that distinction may seem purely academic. However, there are a number of precedents where the judge made the father promise not to claim the tax deduction, in exchange for maintaining support payments at the same level. The direct consequence of such an arrangement is that the mother receives a smaller amount while still having to include it in her income, since this is what the law provides.

The only one not losing in this scheme is the parent who does not have custody of the child. The system is discriminatory in that respect. We can already see the importance of streamlining those tax provisions which relate to the family. The system is also discriminatory for a large number of women with a low income.

Two judgments, Schaff vs. the Queen and Bell vs. the Queen, clearly show the circumstances under which the alimony being paid does not reflect the increase of the tax burden for the parent

who has custody. This occurs when that parent tries to improve the economic situation of his or her family and attempts to leave the welfare rolls by entering the workforce. That effort is thwarted by a corresponding reduction in the actual amount of the support paid.

The deduction–inclusion system will generate no tax benefit, and only the parent who does not have custody will benefit from the deduction.

Clause 56(1)*b*) is discriminatory in that it requires the custodial parent to pay tax on the personal obligation of the other parent to provide child support. According to the family law, both parents must contribute to the costs of educating their children. Parents who are separated must each make their own contribution. They pay tax on the income used to fulfill their own personal obligations.

The payments made by the parent who does not have custody are therefore his or her contribution to support a child, as prescribed in the family law. Those payments are calculated so that the parent pays for part of the costs related to the child. Such payments are not intended to give more money to the custodial parent to buy luxuries or personal things for himself or herself. It can therefore be concluded that alimony payments are a form of repayment to the custodial parent for the money already advanced by that parent to support a child.

This whole debate may seem somewhat technical, but it deals with concrete problems affecting a large number of Canadian and Quebec families. The system is also discriminatory in that it does not recognize that the custodial parent is more vulnerable from an economic point of view, that he or she usually experiences a major drop in his or her standard of living, and that he or she has to support the long–term socio–economic consequences related to having custody of the children. Indeed, the custodial parent has to absorb a major increase in the direct and indirect economic burden, as well as more limited job opportunities due to the presence of the children.

For example, the custodial parent has restrictions linked to type of employment, hours of work, business travel, location, daycare, proximity to schools, etc. I should add that the custodial parent is often the mother.

• (1805)

The Supreme Court is well ahead of the government and politicians. It has already recognized in Mogue *v.* the Queen that custodial parents are systematically living in conditions that are economically unfavourable and directly related to women's role as mothers. For these reasons, custodial mothers experience a situation different from that of fathers, which is in itself discriminatory.

I could continue with a longer list of reasons why the inclusion/deduction system is discriminatory and should be rejected by Parliament immediately. And I have not yet even touched on the actual deduction principle. However, for now, I will have to conclude my remarks.

Before closing, I would like to remind this House of the importance of taking action. I would also like to remind this House that women and the organizations representing them are calling for the abolition of these legislative provisions. And I would like to remind this House and this government that it is women who experience the negative consequences of this policy and that it is therefore women who are in the best position to decide what measures would help them and their families to improve their situation so that one day the economic balance between men and women will be restored in so far as possible and child poverty will cease to plague us.

This government must act. It must abolish the existing system and re–examine all aspects of family taxation. One does not exclude the other.

[*English*]

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, may I first congratulate the hon. member for Quebec for her initiative in putting this private member's bill before the House.

Bill C–238 is motivated clearly by the hon. member's genuine and laudable desire to achieve a greater equity in the tax system, particularly for women but in any event for the benefit of children.

The private member's bill which is now before the House is much like the bill which was presented earlier this year through the initiative of my colleague, the hon. member for Nepean, who invited us to consider this very issue in about May of this year.

I do not intend to support Bill C–238. I urge my colleagues in the House not to support it. Because of my respect for the hon. member's commitment and her objectives I would like to set out my reasons for not supporting the bill.

I make the following points very briefly. First, the government recognizes that we must have changes in the regime for child support generally in Canada, including the taxation of child support.

We are facing a situation which is intolerable. There are one million children living in poverty in this country with the demonstrable fact that after marriage breakup, when there are children involved and the woman becomes the custodial parent, the standard of living for such women typically decreases while the standard of living for the male parent goes up. In addition, there are support orders outstanding which for the most part are

not complied with. The result is single parents and children live in circumstances which we should not permit.

The second factor at work is that the stage has now been set for constructive change. We have had the work during the past few years of the federal–provincial–territorial task force with respect to child support. We have had the decision of the Federal Court of Appeal on Thibaudeau, which is now in the Supreme Court of Canada, which puts into sharp focus some of the issues in respect of the taxation aspect of the matter.

We have had the benefit of the work of my colleague, the hon. Secretary of State for the Status of Women, who spent much of the summer with two other colleagues in caucus touring the country, listening to Canadians, women and men, with respect to their own experience in the tax system as it affects child support. We had the social program review of which my colleague, the Minister of Human Resources Development, is the proprietor, looking at the whole of social programs, including ways to overcome child poverty. The stage has been set for action.

• (1810)

May I respectfully contend that the action we take should be comprehensive and co–ordinated. Therein lies my opposition to the hon. member's private bill, which is to say that it deals with only one aspect of this matter.

The action we take must be comprehensive. It must deal with the amounts that are established for child support. It must deal with the taxation of those amounts and it must deal as well with the enforcement of orders and agreements for the payment of child support.

In the few moments available to me this evening may I outline very briefly the work which is now under way in government to reassure the hon. member that the points she makes in her speech are well taken and are taken to heart.

First, we are looking at the establishment by statute of formulae or amounts that can be used by courts or others in determining the quantum of child support in any given relationship, having regard to the income of the parties. We would hope such an approach would overcome the anguish, expense and delay of litigation by which a court in the adversarial system determines such amounts.

Second, we are considering options for the taxation of child support. There are a few that have been identified in studies done over the years. The hon. member suggests that deduction and inclusion be abolished as an approach; but there are those who contend that an approach that preserves and improves deduction and inclusion would result in getting the most dollars into the hands of the person taking responsibility for the children.

There are issues here we should look at very carefully. For example, if one were to keep deduction and inclusion, coupling it with a process that would establish reasonable amounts through statutory formulae, geared to average expenditures for child care on reliable statistics, if one were to make the deduction contingent upon the non–custodial parent making the payments periodically as required by an order or an agreement, if one were to make the deduction contingent upon the non–custodial parent remitting the amounts due for tax directly to the Department of National Revenue on a quarterly basis on behalf of the recipient, then it seems to me that deduction and inclusion as a process deserves to be considered on its merits as the way, as I have mentioned, of getting the most dollars possible into the hands of the children.

That of course would also have to take into account the disparity which would accrue between those parents who have equivalent incomes or where the recipient custodial parent had a higher income than the paying non–custodial parent. An adjustment would have to be taken into account. I concede that. It is not an easy matter.

I am not suggesting that any decision has been made with respect to this issue. If I may, I am just identifying some of the complexity of it and also the comprehensiveness of it as the government sees its obligation to act.

The last aspect of this matter has to do with the enforcement of court orders for child support or agreements for child support. It seems to me that requires a national and integrated strategy where the federal government works with the provinces to take meaningful action to ensure that those who are obligated to pay indeed comply with their obligations.

In my respectful view, Bill C–238 deals with only a small part of that entire matter. In explaining to the House and to the hon. member why I am not able to support it, may I emphasize that in my view it anticipates the work now being done and it forecloses options that we may wish to leave open until we finish the work in its entirety, until the government has an opportunity to bring a comprehensive bill before the House.

I am engaged at work presently with my colleagues, the Minister of Finance, the Minister of National Revenue, the Minister of Human Resources Development and the Secretary of State for the Status of Women on this very subject. I assure the hon. member and the House that for all of us it is a matter of priority and we will introduce changes at the earliest possible date.

**Mr. Jack Ramsay (Crowfoot, Ref.):** Mr. Speaker, I rise today to oppose private member's Bill C–238. The Reform Party believes that the care of children is the domain of families and that parents must have full responsibility in Canadian society to nurture, provide for and rear our children. Government must uphold the authority and responsibilities of parents as exclusive

in the area of child rearing. The only acceptable direct role for government as an intervener is to protect children in cases of abuse or neglect.

• (1815)

The Reform Party also believes in fair taxation and the elimination of discrimination against the family. We therefore urge the federal government to amend the tax system so that it establishes equitable provisions for all Canadians regardless of their marital status.

Private member's Bill C–238 fails to do this and therefore we cannot support it. Bill C–238 proposes to amend the Income Tax Act so that the child support payments are not deductible from the taxable income of the person making the payments and are not taxable income for the recipient.

I fully support this aspect of the bill because it provides equity in income tax between married and divorced families. However I do not support that the changes made to the Income Tax Act would only apply to custodial and non–custodial parents entering into separation agreements after 1993 as the bill clearly stipulates.

This provision of the bill creates an inequitable tax situation between families separated prior to 1993 and those separated after 1993. As well it does not address the tax inequity that currently exists between married couples and separated couples.

I do not receive a taxable benefit for fulfilling my parental responsibilities. I do not know of any married person who was given a financial incentive such as a tax deduction for providing for their children. Why should divorced, non–custodial parents be given, as currently stipulated under the Income Tax Act, a tax break that married parents do not enjoy. Married or not, are we not all responsible to provide for our children?

Clearly the federal government via the Income Tax Act has created a tax inequity between married and divorced parents. This is discriminatory toward parents who remain married. Therefore, regardless of the pending Supreme Court decision in the Thibaudeau case, I fully support amending the Income Tax Act so that child support payments are not deductible from the taxable income of the person making the payments and are not taxable income for the recipient. I only support such a measure if it applies to past, present and future divorce agreements.

The government currently receives an estimated $330 million a year in taxes on child support payments from custodial parents. They forgo about $660 million a year in tax write–offs for non–custodial parents. Amending the Income Tax Act would save the government $330 million. This money could be used to directly assist those children living in poverty because of defaulting parents. This would be in keeping with Reform's policy on directing assistance where most needed rather than applying it universally.

I recognize there will be opposition to changing the Income Tax Act. Many people still believe that the tax deduction encourages non–custodial parents to pay. However this argument has been discredited by numerous studies. A brief presented to a House of Commons legislative committee on amending the Divorce Act pointed out:

> The myth that an income tax deduction is an incentive to payers to pay support has been laid to rest with the knowledge that 85 per cent of payers prefer not to pay rather than avail themselves of the tax advantage.

As well the Institute of Law Research and Reform in Alberta found that 80 per cent of separated and divorced spouses had a disposable income sufficient to discharge their spousal and child support obligations.

I am not denying that a problem exists. Many non–custodial parents are delinquent in paying support and their children are suffering for it. However this situation cannot be addressed through the tax system. Better enforcement of court orders is the answer.

Since 1985 most provincial legislatures have taken significant steps to create state operated enforcement systems for family support because of the serious problem of non–payment of support orders across the country.

In March 1992, Ontario passed a family support plan act. Since then all support orders must contain provisions requiring a portion of the debtor's income to be diverted at source. As of today Nova Scotians who are delinquent in making their support payments will have their drivers licences suspended. Better enforcement may assist in getting the money to where it is needed, but it does not address the many inadequacies of the current laws regarding child support payments or regulating child support payments.

Child support payments are set at the discretion of the judge and they are often described as inadequate, arbitrary and inconsistent. As well, since the payments are set by the courts and can only be changed by the courts if the non–custodial parent's income increases or decreases, it is not necessarily reflected in the support payment.

• (1820)

Studies show that the income of the non–custodial parent, in most cases the father, increases while the income of the custodial parent, the mother, remains the same. Therefore, while the father enjoys a progressively higher standard of living, his children do not.

Section 15(8) of the Divorce Act sets out two objectives for child support orders. It recognizes that the spouses have a joint financial obligation to maintain the child and apportions that

obligation between the spouses according to their relevant abilities to pay.

The judges try to set support payments at a level that ensures the children of divorce are provided with a standard of living equivalent to the standard they would have enjoyed had the parents not separated. These objectives are not being met under the current system.

To rectify the situation and to alleviate some of the poverty Canadian children are living in, I propose today that the Income Tax Act be amended in conjunction with changes to the Divorce Act. The Divorce Act should be amended to include compulsory guidelines for establishing support payments. Based on the number of children, a set percentage of the non–custodial parent's income would be collected at source. As the payer's income increases the support payment would automatically increase, truly reflecting their ability to pay. This would address the current inadequacies and inconsistencies found in support payments. It would reduce the time and cost associated with seeking court settlements.

I know this measure would not erase some of the financial losses and emotional stresses associated with marital breakdown. I also know that it would not address situations where the non–custodial parent cannot pay due to loss of income. Therefore I urge the federal government to move quickly in reallocating the funds misused by the Children's Bureau.

This bureaucratic creation of the Mulroney government has a budget of $100 million. Although some of its budget is acceptably allocated, a good portion of it is wasted on ad campaigns, databanks, glossy magazines, seminars and consultations while none of it goes directly into programs that assist those children most in need.

Under this bureau $29,000 was used to produce an overview for a code of ethics for children witnesses; $535,000 was given to the *Canadian Living* magazine for the production of the "For the Love of Kids" publication; and $40,000 was given to the YMCA for consultations on the strategies for eliminating corporal punishment of children. The list goes on and on.

Hungry and starving children do not need seminars and consultations. They need food and clothing. Children going to school without adequate clothing do not care about codes of ethics. They care about hats and mittens that help keep them warm.

The Children's Bureau is a prime example of how the federal government wastes money studying the problem rather than doing something about it. I submit that wasteful spending, high taxes, tax inequities, discrimination against families and reducing the responsibility of Canadian parents are the causes of child poverty in the country. Until the federal government understands this and does something about it, the situation will not change.

I conclude by urging the government to amend the Divorce Act to address the problem of defaulting parents, to amend the Income Tax Act to end the discrimination and the tax inequities that exist between married and divorced families, and to tailor social programs to meet the needs of Canadians, not the philosophy of the Liberal government.

[*Translation*]

**Mr. Benoît Tremblay (Rosemont, BQ):** Mr. Speaker, I want to thank and commend my colleague, the hon. member from Quebec City, for introducing this bill and for defending it so well in her speech earlier this evening. I also want to thank the Minister of Justice for being here to express his position on this bill, and I believe I felt his sincerity and his desire to act.

Basically, the Minister of Justice said: I will be against this bill, but your objective is a good one, and what you propose is necessary and urgently needed, but we need a more comprehensive plan. We need a number of measures that will be adopted simultaneously in order to cover all the problems of families and children. I certainly do not question the good faith and good intentions of the minister. The minister also said that it was clear there was pressure on the government to act, and we just heard from the member of the Reform Party, with whom, to a great extent, we seem to be on the same wave length.

• (1825)

Now the government wants to do everything at once, and I want to say to the Minister of Justice that is all very well, but in politics, we must act when the opportunity is there. The problem with all these studies which recommend sweeping reforms is that so many bills have died on the Order Paper because there was an election or the climate had changed or something else came up.

I have the impression that despite all these good intentions, the Minister of Justice is missing a golden opportunity to act now. In fact, I would strongly advise him not to include this issue in the social programs review, which seems to be going nowhere fast. The Minister of Human Resources told us: We are going to act quickly, but as soon as there was the slightest bit of opposition, he said: These measures will take another four years to be implemented. He may think he was elected for 20 years, but he has a mandate, and he must act now. I think that explains the urgency expressed by my colleague from Quebec.

This particular piece of tax legislation was passed in 1942. Obviously, it no longer reflects current realities. At the time, there were very few single parent families, and most women did not work outside the home. I suggest we take a look at families with children in a riding like mine, the riding of Rosemont, which covers two Montreal neighbourhoods that are statistically unique: one is called the "Plateau Mont–Royal" and the other Rosemont "la petite patrie". On the plateau Mont–Royal, more than 47 per cent of families with children are single parent

families, and in Rosemont la petite patrie, nearly 39 per cent are single parent families.

Of course, this does not reflect the situation throughout the province and across Canada, but the fact remains that when we consider only families with children, the whole issue of support payments affects, at least in my riding, more than 45 per cent of families with children, and that is also the case across Canada. This means a very large number of people are affected. We are concerned about the children and also about the custodial parents. In my region, in 86 per cent of the cases the custodial parent is a woman, and this percentage probably reflects the national average or may be even higher.

The present system discriminates against the custodial parent who wants to re–enter the labour market. We can quote all kinds of statistics and say: She earns a little less than her husband so she pays less in taxes. However, people should realize this is a disincentive to go back to work.

Basically, what we are suggesting, if we compare this bill to the present system, is that support payments for children are an expense that the non–custodial parent would have had if he had the children in his care, and they should no longer be considered as income for the custodial parent.

Today, we have an increasingly larger percentage of women who are custodial parents and for whom this does not constitute a tax benefit. Some say between 29 and 37 per cent. But there is more to it than that. There is the desire to re–enter the labour market. This week, Statistics Canada published a study on the whole issue of single mothers in which it was made very clear that these women want to re–enter the labour force. As soon as their children are old enough, they go back to work. That is very clear.

Among single mothers, only 36 per cent of those with children under three are on the labour market, as compared to 64 per cent in two–parent families. The proportion reaches 70 per cent when the children are aged between six and 15. So, there is no lack of willingness, but there are barriers to re–entry into the labour force, and I am convinced that the present fiscal policy clearly is one such barrier. It certainly does not facilitate re–entry into the labour force.

There is even more cause for concern for the future when you look at the social program reform.

● (1830)

This week, the Minister of Human Resources Development published a supplementary paper on income security for children. Overall, the government's strategy consists in saying: "From now on, we will provide assistance to those who need it the most, that is to say the poor".

This paper was described in *Le Devoir* as nothing short of an attack on families. Basically, what they are being told, while we know they want to remain in the labour force, is this: "As long as you want to stay poor, we will help".

Clearly, the message that needs to be sent out is that efforts are being made to create the conditions that will allow them to have a work life again. We must not only consider fiscal statistics from the past but also look to the future. We heard, of course, that only 36.5 per cent of single mothers with children under three work outside the home.

The fact is that 70 per cent of them would like to have jobs. They want not only more jobs in the economy but also conditions making it easier for them to return to work. I think this should be a central element because we know that the issues of work, access to the labour market and job security are linked to the question of security for individuals and families, for the children who are there. It is an aspect which, I am convinced, is being overlooked. Nowhere in the paper tabled this week by the Minister of Human Resources Development is this issue of support payments, of single mothers' return to the labour force, addressed.

I think the Minister of Justice should admit that he may not have a perfect bill covering all bases, but that he will act quickly on elements that can be dealt with politically at this time.

On the issue of incentive and compulsory collection, we know that Ontario has compulsory collection. Quebec's new government also announced a commitment to introduce compulsory support payment collection this year. So the tax incentive to pay support will no longer exist in Ontario and Quebec, while other provinces will have to take similar measures.

So the tax issue is not only a matter of incentive. I think we must go back to the issue of accountability and justice, but as much for the children's sake as for that of the single mother, the normal situation is a family headed by someone with a professional life, and that is how we must think of it.

The whole election campaign of the Liberal Party was based on "jobs, jobs, jobs". I think that these bills which are also about justice must be considered not only in the light of today's realities but also in view of the realities we want to see in the future. I think there is an urgent need to end this discrimination.

I wish to thank my colleague from Quebec, who is also the critic on the status of women, for presenting this bill. It is essentially a matter of alerting the government to the urgent need to take action. I repeat to the Minister of Justice that if he can act now, he should do so and not wait because things change

quickly in politics; what was possible at 9 a.m. may not always be possible at 6 p.m. Please act now.

**Ms. Marlene Catterall (Ottawa West, Lib.):** Mr. Speaker, first of all, I would like to congratulate the member for Quebec for presenting this bill, just as I congratulated the member for Nepean who proposed a motion which was adopted by this House.

I would also like to congratulate my colleague, the justice minister. It is the first time in six years, since I have been sitting in this House, that I see a minister speak on a private member's bill.

**Some hon. members:** Hear, hear.

• (1835)

**Ms. Catterall:** Mr. Speaker, I congratulate him because this is very important. These bills are very important and I find that the minister shows great respect for the process by being here to explain what he is doing to deal with this issue and why he cannot support this bill for the time being.

[*English*]

This is very tempting for me as one small step toward relieving the substantial poverty of women and children in our country. I share some of the concerns expressed by the Minister of Justice. My experience with this issue over the years with women who find themselves in the situation of trying to raise their children on inadequate income after the breakup of a marriage leads me to say that the problem is much bigger than this.

The fundamental problem is that the majority of custodial parents entitled to receive support for their children after the breakup of a marriage do not receive that support. They simply do not receive any of it.

I am told, and it obviously is not working that way, that the current provisions in the income tax have in part the purpose of acting as an incentive for those payments to be made. I believe there are much better ways of dealing with that. Some have been suggested by the Minister of Justice and there may very well be others. Our objective has to be more global than simply to determine on a short term basis who pays the tax and who does not.

The ultimate objective surely is to try to combat the poverty that results when a family breakup occurs, the poverty not only for the custodial parent who is usually the woman, but also for the children. We know that the majority of women who leave a marriage leave a marriage to enter poverty, and that means their children also enter poverty.

That is fundamentally what we want to address. This simple measure alone of changing the taxability of those support payments may erode the amount of money going to the custodial parent and to the children and may act as a disincentive for making those payments.

Are the support payments adequate? We have more than enough data now to know that support payments being awarded by the courts, even if they were all being paid, are not adequate.

I am pleased that it is the intention of our government to deal with that fundamental issue first and foremost; how we can provide either incentive or coercion when necessary for those payments to be made without the parent who is responsible for raising the children and does not have the income also having to bear the responsibility of pursuing through the courts the payment of that support to which she is entitled.

I have seen over and over again—I doubt there is a member of this House who has not personally seen it—a situation in which there is an obligation to pay support but the non–custodial parent, the parent who is supposed to be paying the support, simply does not. Then the custodial parent is left with the need to go on welfare but is told she cannot have welfare until she takes the person she has just left back into court and starts the whole merry–go–round again. She does not have the resources to do it, she does not have the emotional energy to go through a second divorce or a separation, and yet that is what she is required to do by our social security system.

I want to make clear that it is not the intention of the minister nor of our government to wait until the completion of the review of social programs.

• (1840)

In my view social programs are relevant to this issue only in so far as we have failed to deal with the fundamental issue of the parent who has the responsibility for raising, feeding, clothing, housing, looking after the children, getting the support payments that are due and that are the obligation of the other parent to provide.

We see the two issues as separate. There is no intention at all to wait until the review of social programs is completed.

I want to conclude by saying that there have been numerous reports in the last two years pointing to the problem with support payments, the taxability of support payments and other ways the taxation system affects women differentially and the links of those to the poverty of women and children in Canada.

Action was not taken on these reports. While I am one who would like to see the problem solved yesterday, because I know what it means to so many millions in our country, I am pleased that our government is taking this very seriously and is trying to deal with it in a global, comprehensive way that hopefully will ensure that not only in the near future but for the long term women and children in this country will not be negatively affected economically to the extent they are now and driven into poverty simply because the family breaks up.

[*Translation*]

**Mr. Pierre Brien (Témiscamingue, BQ):** Mr. Speaker, I am pleased to participate in the debate initiated by my colleague from Quebec City on the tax treatment of support payments. The minister as well as my colleague pointed out that larger issues are at stake and that we must have a more comprehensive approach; that is for sure, but we must also be able to act soon and not necessarily wait any longer.

Of course, we know that there is a case before the Supreme Court, the case of Thibodeau *v.* the Queen, but it is possible to act quickly. The first time I looked at the tax treatment of support payments, from a purely theoretical point of view, I thought that there was some logic behind it, which might appear to be effective. But when we look at reality, things happen which do not correspond to the objectives that were set. To begin with, making support payments deductible from income was an incentive to pay.

Since then, Ontario has established a compulsory collection system and Quebec has announced that it will do the same soon. From that moment on, we can no longer consider this factor. We can no longer say that there is a tax incentive for this objective since we have found another way to solve the problem, which the deduction–inclusion system did not solve.

Given that, we must review the tax treatment. I found something interesting in the minister's reply. He said that we might make the existing system better. This is an option that should be considered and might be worthwhile if it saves the person receiving the support payment the shock of having to make a very high income tax payment in the spring. If we kept the deduction–inclusion system, there might be a way to avoid the fiscal shock when the income tax return is filed.

Nevertheless, most women's groups do not like this system, which to some extent is also a disincentive to work. Let us suppose that a judge determined the amount of child support to be paid to a woman—I say a woman because, in the majority of cases, the custodian parent is the mother. From that point on, the woman could count on a small amount of money. If her income increased, she had to pay a higher rate of tax. In other words, the support payments that she received became more and more taxed.

The judge had to take two things into account: The need of the children and the ability of the father to pay. One of those two criteria is no longer fully respected. Indeed, the amount of support should be subject to review, since it now represents less, considering that the tax rate changes over time.

• (1845)

Here there is a problem. It may be that the overall issue will not be deemed discriminatory by the Supreme Court; we will see. However, the fact is that if it is the mother who has custody of the children, she is the one who has to include those payments in her taxable income. On the other hand, if it is the grandparents or others who have custody of the children, it is the person who pays the pension who is taxed on that amount.

Some changes must be made and that is what the hon. member proposes in her bill. We must eliminate such irritants in our tax system. I agree that we have to work on other issues and that, quite often, the real problem is that the payments are not even made. When this issue was linked to the social program reform, I was concerned that things would drag on and on. However, I was relieved to hear the hon. member say that there is a clear distinction between this issue and social programs, and that we must act on it as quickly as possible.

I am convinced that the government is waiting for the Supreme Court decision. However, it should start proposing various options—the minister suggested a few earlier—so that we can all look at these together, as parliamentarians, instead of limiting the study of this issue to a small group of government members, like those who travelled across the country last summer.

I must say I am disappointed. I am sure my colleague from Quebec City would have liked to participate, and a member of the Reform Party would have been able to as well, and we could have made a very constructive contribution to this debate. The process has become a little too partisan. We will have to reopen the debate and put the options on the table, pending the Supreme Court's response, and then take some kind of action, because the Supreme Court's decision will apply to cases where people filed appeals in recent years, and I realize these things cannot be rushed.

The fact remains that changes are taking place. Whether the court's decision is felt to be discriminatory or not, from the point of view of law, the fact is that there are always aspects that are unsatisfactory and unfair and others that will be perceived and experienced as such. This is also an important consideration.

So I think we have to take this into account and consider that the option which says that support payments for children are not taxable income for the person who receives them but for the person who makes the payments is a very valid option that should be included among those considered. The Minister of Justice seemed to be saying earlier that there were options he seemed to favour, such as maintaining and improving the system, that could be another option, but what my colleague from Quebec City is suggesting is also a valid proposal.

And there is also the distinction being made between alimony paid to the custodial parent and support payments. And in that case, I think this is a very positive bill and a constructive contribution to the debate. Of course, this is not a votable bill, but the presence of the minister was very useful in that it gave us some food for thought, and I would like to see this process accelerate and I would urge the minister, who seems to have

come a long way since this summer, to put some options on the table as soon as possible.

In concluding, I have to say that the time factor is still unknown. We do not know how long the Supreme Court will take. It heard the case at the beginning of this month, but now the government has decided it is definitely going to move and that it will do so in terms of the Supreme Court judgment. This may take quite some time, if, for instance, following the Supreme Court judgment, the government gets involved in further consultations, and that is something that should be avoided. We must act, and we need a more open and more constructive approach to make some headway in this debate, and it should not always be up to the opposition to do the pushing. The government should take the initiative as well.

I think we have an opportunity to conduct a very objective and non–partisan debate, in which we could achieve some very useful results to improve the situation, while not forgetting the fact that there is also the collection aspect which is a provincial responsibility so that the provinces will also be major players in solving this problem.

**The 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.

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## ADJOURNMENT PROCEEDINGS

• (1850)

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

MANPOWER TRAINING

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I rise to attempt to obtain a relevant answer to a question, something I was unable to do yesterday.

Yesterday, I asked the Minister of Human Resources Development if he agreed that it would have benefited Youth Service Canada if the federal government had harmonized, or tried to harmonize, its efforts with the Quebec government, because there is a similar young volunteer program in Quebec.

Instead of answering this question, the minister spoke about a young man he had met that day who told him how much he enjoyed finally being able to get a small pay cheque, because it all depends on the area, the maximum being $150 a week. He sang the praises of the program and said that the member for Lévis was raising a structural problem— I do not consider this to be an answer.

My second question was whether he found it normal that in exchange for a seat on the selection board, provincial officials had to undertake not to criticize Youth Service Canada in any way. Obviously, he did not reply.

As an example of what I am talking about, this afternoon I attended an announcement by the Quebec government to the effect that they were agreeing to step in, with a $20,000 grant, and bail out Carrefour jeunesse–emploi, a job search club, which had been turned down by the federal government. While the federal government is busy setting up its Youth Service Corps and financing this new initiative, cuts are being made in existing programs. We already have a committee on which the parliamentary secretary and I both sit that wants to consult the people on their future. Instead of waiting for the results of these consultations, the government cuts existing programs which have already proven efficient. Two hundred and eighty–five young people took part in such a program last year and were able to find work. According to the calculations we made at the time, for example, to report the wages earned the previous year would have meant an increase of $1.2 million in taxes for the federal government, which chose to turn down a request for a $240,000 subsidy.

Today, I just wanted to testify to what I saw.

I want to ask the parliamentary secretary this: Why is it that the Canadian government refuses to wait for the results of its own consultation process before cutting spending and investing money thus saved in the new Canadian Youth Service Corps, as it is called? How does it justify such a contradiction, on the one hand, and, on the other hand, why not harmonize this program with a very similar Quebec program in a provincial jurisdiction?

We are told: "Yes, but on the condition that you do not criticize in any way the federal program". Will the parliamentary secretary give a clearer and more precise answer to this than his minister?

[*English*]

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I am pleased to discuss this government's new Youth Service Canada program. YSC is about young Canadians between the ages of 18 and 24 who are out of school and unemployed and are gaining relevant work experience, while using and improving their personal work related skills by serving the community and their country. It is not a duplication of Quebec's programme jeunes volontaires.

At first glance there appear to be some similarities. Both deal with youth and both aim to help young people through community service.

• (1855)

However, the differences are striking. First, participants in jeunes volontaires design their own projects. Under Youth Service Canada, community organizations, in partnership with the private sector and the participants, propose specific projects in line with priorities determined by the communities.

Second, jeunes volontaires projects can be as short as three months whereas Youth Service Canada projects are a minimum of six months in order to give the young person sufficient time to acquire meaningful and relevant work related experience.

A third example is that jeunes volontaires projects are open to 16 and 17–year–olds. Youth Service Canada was designed intentionally to start only with 18–year–olds in order that the program not serve as a ready option for young people to leave school, especially when governments are encouraging kids to stay in school.

As members can see, Youth Service Canada does not duplicate the current provincial program in Quebec. This initiative in fact complements the provincial initiative.

To date, Youth Service Canada has eight projects approved in Quebec for a total federal contribution of $1.3 million targeting 139 participants.

Yesterday I had the pleasure of rising in this House and announcing on behalf of the Minister for Human Resources Development and the Secretary of State for Youth and Training that Youth Service Canada was entering its regular operational phase and to encourage members of Parliament to promote this program in their ridings.

[*Translation*]

## PRIVACY

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, yesterday I asked the Minister of Industry about the protection of personal information contained in private data banks. The minister told me that he would wait until the Advisory Council on Information Highway made some recommendations.

However, the problem of protection of privacy has been with us for some time and the government has yet to legislate. Here is an example. Fifteen years ago, the best way to get the list of all small businesses in region 03 in the province of Quebec was to go to Dun and Bradstreet in New York. That information was just not available in Canada.

Imagine the situation we are in 15 years later, Mr. Speaker. Where do you think the purchases you make with your credit card are recorded? I am sure you could find those transactions in some computer in the United States. Marketing services in North America know what your spending habits are. The Canadian government has never done anything about it and is not doing anything now.

On January 1 this year, the Quebec government promulgated an act requiring that private businesses respect the privacy of personal information. I am particularly aware of these matters because, at the time, as president of the Association de sécurité informatique for the Quebec region, I submitted a brief to the Commission parlementaire du Québec, which was dealing with these issues. Quebec is ahead of the rest of Canada in this regard.

My question to the minister is very simple: What is he waiting for to bring the rest of Canada into the age of electronics?

[*English*]

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.):** Mr. Speaker, I am pleased to respond to the question from the hon. member for Portneuf on the issue of privacy protection on the information highway.

On October 14 Industry Canada released a public discussion paper entitled "Privacy and the Canadian Information Highway" seeking comments from all Canadians and business regarding how privacy should be protected on the information highway.

I am pleased to report that although the comment period does not close until December 23, we have already received letters from many Canadians and I am confident that when the report on this discussion paper is presented to the advisory council on the information highway there will be a broad range of views from across Canada.

In the meantime, I would like to assure the hon. member that we are looking at a number of possible approaches, including legislative ones. As the hon. member is no doubt aware, certain sectors which are under federal jurisdiction could be regulated to ensure uniform privacy protection for customers. Others which are under provincial jurisdiction could be regulated at the provincial level as has been done in the province of Quebec.

As more commerce takes place over information networks, it is important that all players using the information networks for delivery of services are playing by the same rules. We are studying how to ensure this level playing field, both for consumers who are using electronic services from coast to coast in Canada and companies which are competing in the delivery of them.

In the meantime, many key industries have developed voluntary codes and put them into practice. Industry Canada has been working with the Canadian Standards Association and a broad range of industry, government and consumer representatives to develop a national standard for privacy codes.

It is anticipated that this privacy code will be released for public comment this winter and we will gain more insight into how Canadians want privacy codes and standards to be implemented.



**The Deputy Speaker:** Pursuant to Standing Order 38(5) the motion to adjourn the House is now deemed to have been adopted.

[*Translation*]

Accordingly, the 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

**Friday, October 28, 1994**

The House met at 10 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*English*]

### SPLIT LAKE CREE FIRST NATION FLOODED LAND ACT

The House proceeded to the consideration of Bill C–36, an act respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land, as reported (without amendment) from the committee.

**Hon. Arthur C. Eggleton (for the Minister of Indian Affairs and Northern Development)** moved that the bill be concurred in.

(Motion agreed to.)

**The Acting Speaker (Mr. Kilger):** When shall the bill be read the third time? By leave, now?

**Some hon. members:** Agreed.

**Mr. Eggleton (for the Minister of Indian Affairs and Northern Development)** moved that the bill be read the third time and passed.

**Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I rise to address the House on third reading of Bill C–36, the Split Lake Cree First Nation Settlement Agreement Act.

I begin by thanking hon. members on behalf of the Minister of Indian Affairs and Northern Development for supporting the bill at second reading and in committee. I would also like to thank the negotiators and all the people who participated in the negotiations.

• (1005)

This is neither a complex nor a controversial piece of legislation. It has been developed through extensive consultations with all parties that will be affected by it and is supported by them.

Bill C–36 is concise and direct. Despite its brevity it is important. For the Government of Canada the proclamation of Bill C–36 will mean a release from any other further claims by the Split Lake Cree First Nation under the northern flood agreement.

More important, it will mean that we are fulfilling our commitments to this First Nation. It will allow us to begin to build a new partnership with this First Nation, a partnership based on trust, respect and understanding for the people of the Split Lake Cree communities.

Bill C–36 means they can now realize the full benefits of the northern flood settlement agreement. Most elements of the agreement are already being implemented and, as a result, the Split Lake Cree are building a better and more secure future for themselves.

To fully appreciate Bill C–36 we must first acknowledge that the people of the Split Lake, Cross Lake, Nelson House, Norway House and York Factory First Nations in northern Manitoba paid a high price for the northern flood agreement. The flooding of 4,800 hectares of reserve lands by the Churchill River diversion projects of Manitoba Hydro deprived many families and communities of access to their traditional hunting, gathering, harvesting and fishing areas. It occurred with little consideration to the needs or rights of these people.

A quarter of a century later the Government of Canada cannot turn back the clocks. However we can and must respect the commitments that have been made to the First Nations concerned. One way we will do that is by seeking parliamentary approval and royal assent for Bill C–36.

As hon. members are aware, the governments of Canada and Manitoba, as well as Manitoba Hydro, have attempted through the northern flood agreement of 1977 to provide compensation to these nations. In addition to cash compensation the agreement contained provisions for land management, resource development, community infrastructure, navigation and so on. It also provided for the appointment of an arbitrator to deal with the claims arising under the agreement.

Unfortunately the northern flood agreement is vague or silent on many key issues. As a result it has been very difficult to implement. It has led to frustration and excessive costs for the parties involved as it encourages arbitration rather than co–operation.

The two governments and Manitoba Hydro have therefore been pursuing settlement agreements with individual bands based on a common set of principles and objectives.

Bill C–36 arises from such an agreement with the Split Lake Cree First Nation, the first and only band specific settlement agreement negotiated to date. The Split Lake Cree agreement was reached in June 1992. It fulfilled all outstanding obligations of the Government of Canada to the First Nation pursuant to the northern flood agreement.

As I mentioned a moment ago, the agreement is already being implemented with no significant problems. It is providing additional financial compensation to the Split Lake Cree. As well, it is providing for the transfer of certain lands to the First Nation, the creation of two new reserves, and increased socio-economic opportunities for the Split Lake Cree.

The government made a commitment in the agreement to entrench several of its provisions in legislation. This is what we are endeavouring to achieve with Bill C–36.

Specifically Bill C–36 implements four provisions of the agreement, all of which stand to benefit both the First Nation and the government. First it will remove any administrative responsibility the Department of Indian Affairs and Northern Development might have for moneys paid under the Split Lake agreement. By stipulating that these are not Indian moneys under the Indian Act, this in turn will give the First Nation far greater control over the funds which will be managed on its behalf by a trustee.

• (1010)

Bill C–36 will also ensure that provincial crown lands provided in fee simple title as a result of the settlement agreement will not become special reserves under sections 35 and 36 of the Indian Act.

The First Nation will thus control the use and management of these lands without interference from the government and without the restrictions of the Indian Act. From the government's perspective this clause means the department will not have responsibility for these lands.

Bill C–36 will also address the costly and cumbersome dispute resolution process set out in the northern flood agreement. Individual band members can continue to make certain claims against Manitoba Hydro, but the simplified adjudication process set in the Split Lake Cree settlement agreement will take precedence over the process included in the northern flood agreement.

Finally, Bill C–36 ensures that the Government of Canada can utilize the Manitoba Arbitration Act when matters are in dispute under the northern flood agreement with regard to the Split Lake Cree First Nation. Currently Canada is the only party to the agreement that does not have access to these arbitration mechanisms.

As I indicated a moment ago, five First Nations were affected by the Churchill River diversion projects and are therefore eligible to receive benefits under the northern flood agreement. However Bill C–36 applies to only one of those First Nations, the Split Lake Cree, since it is the only First Nation that has signed a band specific settlement agreement. I am hopeful that negotiations with the remaining First Nations will be successfully concluded in the future.

It is important hon. members understand that Bill C–36 does not give force to the Split Lake Cree Settlement Agreement, as the agreement is already being implemented. It does not place a new burden on the government but simply ensures that we live up to our commitment as set out in the agreement. The passage of Bill C–36 will have a significant impact on the members who make up the Split Lake Cree First Nation.

The goal of the minister responsible for this challenging portfolio is to make a difference in aboriginal and northern communities and to give families and individuals both the hope and the tools for a brighter and better future.

I urge hon. members to join me in pursuing that goal. Bill C–36 is an important element of the legislative agenda of the government for aboriginal people. It deserves the support of the House so that it can be referred to the other chamber at the earliest possible date.

[*Translation*]

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, it is a pleasure to address the House to support, on behalf of the Official Opposition, Bill C–36, an Act respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land in Manitoba.

I would like to start by putting the bill into context, because what happened in northern Manitoba in connection with the construction of a hydro–electric project on lands traditionally held by aboriginal communities has had a major impact on these communities. It is also an object lesson for our governments and people in the south, who failed to give these issues the consideration they deserved.

The events took place in the seventies in northern Manitoba and involved a Manitoba Hydro hydro–electric project.

• (1015)

I may add that in a number of other areas in Canada, and especially in Quebec at the time, there were plans to develop hydro–electric power on several rivers in the north. The people of Quebec will remember that at the time, an agreement was negotiated with the Cree in connection with the James Bay hydro–electric development project. I will come back to this later on in my speech.

The purpose of the project that concerns us today, was to develop hydro–electric power on the Churchill and Nelson Rivers. It was an enormous project. It involved diverting about 85 per cent of the waters of the Churchill River to the Nelson River. It included the construction of dikes, dams, channels and hydro–electric power stations. This altered the rate of flow in the affected waterways, immense reservoirs were built, and lake water levels changed.

The communities that lived on these lands traditionally lived along the waterways that provided means of transportation, their livelihood and food in the form of fish, so their whole environment was disrupted. In my region in the twenties, we had a similar development that affected the Lac–Saint–Jean when hydro–electric dams were built to form a reservoir for the Île Maligne power station.

The shores of the Lake Saint–Jean were flooded. A few years ago, a local filmmaker, who I believe worked for the National Film Board, produced a documentary called *La tragédie du Lac Saint–Jean*. What we are about to discuss this morning in connection with the development of hydro–electric power in northern Manitoba is similar to this situation. I think some tragic events took place, and I think that is something we should not forget.

The territory involved in the hydro–electric development project in northern Manitoba is immense, covering more than 250,000, and perhaps as much as 300,000, square kilometres. Manitoba Hydro invested a total of nearly $3 billion in this project. Nearly 18 billion kilowatt–hours of electricity are produced, with sales estimated at between $5 million and $6 million annually. This enormous project will probably be of great benefit to Manitoba. Hydro–electric power is a source of wealth, and it is one of the cleanest sources of electric power, but although it has been of great benefit to Manitoba, the project has been a tragedy for the five First Nations living on the shores of the Nelson River.

These are the Cross Lake, the Nelson House, the Norway House, the York Factory and the Split Lake First Nations. The bill before the House this morning is specific to the Split Lake nation. Altogether, about 10,000 Cree status Indian living on these five reserves were affected. The hydro–electric development project flooded about 11,800 acres of land on the reserves or more than 10 per cent of their territory. The lands that were flooded were those that had been traditionally and continuously occupied, being, as I said earlier, those located along the waterways which served as a means of communication with the outside world.

• (1020)

Before the development of hydroelectricity, the traditional way of life of native people was what they had known from time immemorial. It was similar to the way they lived at the beginning of the century. They relied on federal assistance as they should, since they were entitled to it under the treaties they had signed, but mainly they relied on hunting, fishing and trapping for their livelihood.

And then, progress came from the south and disrupted everything. As you can imagine, with the start of huge projects and the arrival of southern workers living in camps and coming into contact with people on the reserves, the native way of life was bound to change. But the biggest change was the disruption of the ecosystem brought about by the dams. There was a change in the ecosystem of the Churchill and Nelson rivers as well as of neighbouring lakes and lakes which are merely wider parts of the river.

The water regime changed. In some places, the water flow dropped dramatically, while in others it rose sharply to the point of submerging banks.

Obviously, it has had an impact on the local plant and animal life. Hunting, fishing and trapping activities have been disrupted. Trapping often depends on water levels. Animals, such as beavers, live in streams and when you change the ecosystem, you disrupt their way of life and they must move or modify their habits. Thus traditional trapping, hunting and fishing grounds have been greatly altered.

Infrastructures such as wharfs and camps which had been used from time immemorial were lost. We often reflect on what the impact has been in the summer, but during the winter, people used to snowshoe across frozen lakes and rivers. Dams have changed the water flow and water level in streams. When you open the gates, the water level goes down and people can no longer walk on the ice as they have always done. Thus, even in the winter, their way of life has been greatly disrupted.

The most dramatic changes can be seen in the local native peoples' way of life. To start with, they have suffered a loss of income. Those who used to live from hunting, fishing and trapping have seen their income drop. The cost of living went up. Workers came in from the south, bringing along new products and introducing new habits among natives. All this meant an increase in the cost of living. Goods went up in price because people could not rely as much on hunting, fishing and trapping for their livelihood. They were forced to buy food, but at higher prices because everything had to be shipped from the south.

There was also a transformation of their mental and physical environment, in other words, their quality of life suffered. For generations they had lived next to a given river, they had particular activities, they recognized the landscape. Oral tradition had given rocks or places particular significance. When the land was flooded, a lot of significant landmarks were lost. Just think of our feelings when, by chance, we go through the village or the street where we grew up 40, 50 or 60 years ago. We know

it is the same place, we recognize a few things, but we realize that the environment has changed.

• (1025)

For the native peoples of the North affected by the harnessing of the Churchill and Nelson rivers, the environment changed suddenly. They no longer recognized their rivers, their lakes. They could no longer find the places where their people used to gather and live as a community. A part of their culture had been flooded at the same time as the river banks and the lake shores.

Yet, these people had rights. At that time we were not talking about rights entrenched in the Constitution, because this happened in the early 1970s in Manitoba. But these people had treaty rights, under Treaty No. 5, signed and negotiated with the federal government by their ancestors. Since they had rights over this land, it was to be expected that they would be entitled to compensation for losses incurred and that measures would be taken to help ensure decent living conditions on their ancestral land.

Of course it may have been less trouble for some people if these people had migrated south. Many wonder why one would want to live on ancestral land, when economic activity is difficult and everything is so expensive in these remote, northern areas; transportation costs in particular are astronomical. So, it would make things much easier if everybody just moved down south. But that is not what our country is about. That is not how we operate in Quebec and in Canada. Quebec and Canada are areas, land that was developed over the years by our fathers and forefathers, land on which we want to continue to live.

I can understand that aboriginal peoples of the north, be it Northern Quebec or Northern Manitoba, want to live in dignity on their own land. The issue of regional development was debated extensively in my region, the Saguenay—Lac–Saint–Jean region. People want to continue to develop this land. They want to live on this land. They want their children to find work there and the community as a whole to prosper.

These are requests often made to governments. People ask: "Give us the means to live on this land of ours". I can understand full well the situation of native peoples from Northern Manitoba who have seen their land altered, but wish to continue living in dignity on that land.

An agreement was to be concluded between interested parties. These interested parties are the five native peoples, Manitoba Hydro, as the financial backer of this project, the Province of Manitoba, which owns the Crown lands, and the government of Canada, as trustee for the natives affected, under the Indian Act.

It all started, as I said earlier, in the early 1970s. In 1968, Manitoba Hydro received a licence from the provincial government to develop the northern territory covered by the Churchill and Nelson Rivers.

In 1972, Manitoba Hydro decided to go ahead. There was, of course, a debate among the population at that time. The Natives argued that they had rights. Some people more sensitive to environmental considerations also took part in the debate. There was a good discussion.

The licence was granted in 1968 and Manitoba Hydro decided to go ahead in 1972. In 1974, the Department of Indian Affairs got involved, some four or five years after the project was initiated. The Department of Indian Affairs assumed its responsibilities and ruled that, under Sections 28 and 35 of the Indian Act, the project could not be carried out without the agreement of the bands concerned.

• (1030)

The federal government, which had a responsibility in this regard, finally notified everyone involved that the agreement of Native peoples had to be secured.

In 1975, negotiations began between the federal government, the province, Manitoba Hydro and the five nations represented by the Northern Flood Committee. This committee had represented Native people since 1974. Representatives from each nation had formed a committee to negotiate with Manitoba Hydro, the Province of Manitoba and the federal government.

Negotiations took place and, in 1977, the Manitoba Flood Agreement was signed. In other words, an agreement was reached in 1977 and the First Nations concerned agreed that the project could go forth. At that time, compensation was provided for flooded lands, for lost community infrastructure and for the loss of hunting and fishing rights. Steps were to be taken to ensure fair treatment for the Native people affected. That was the agreement.

Unfortunately, as the representative of the Minister of Indian Affairs said before me, this agreement was vague on certain points. Some matters were not settled and too many issues were poorly resolved or negotiated, so that the agreement could not be implemented.

The most contentious points that were put on the back burner concerned adding lands to the reserves to replace the flooded lands or giving the first nations concerned other lands in return for the flooded lands.

Another point left in limbo was the employment of reserve members on building sites. One would have thought that with the building sites open in those regions, an adequate and rigorous policy would be in place to allow members of the First Nations concerned to work on hydro–electric projects if they wished to do so. The agreement was vague on this point.

There was the whole issue of environmental monitoring. Land was flooded, so the plant and animal life were disrupted and we realize that there were surely environmental problems. The agreement contained no strict, specific measures for proper environmental monitoring. Of course, we are looking at it today from the vantage point of the 1990s and, in the 1970s, people may have been less sensitive. Today, when we think of all the environmental studies and precautions that an organization must take if it wants to proceed with hydro–electric development in the north, we realize that nothing was done in Manitoba in the 1970s or whatever was done was inadequate.

In my region, there was a hydro–electric development project on the Ashuapmushuan River. I say "was" because that project seems to have been abandoned for now. For seven or eight years, Hydro–Québec has been conducting studies, making public submissions, setting up review committees and boards to hear what the public thinks. Today we find it quite right and proper to protect the environment. That was not the case in northern Manitoba in the 1970s.

The agreement between the native peoples and Manitoba Hydro left this whole issue unresolved.

• (1035)

Another important thing is that the agreement did not provide for a body to implement it. You might think that the committee of First Nations on the flooding of land in northern Manitoba would have dealt with this issue, but the agreement did not provide for any spending or an adequate amount to cover the costs. There should have been an auxiliary agreement to specify this, but no such agreement was ever concluded.

So in 1977, we had what I would call a bungled agreement that was very inadequate. The result was predictable. Implementing the agreement was a tragic failure for the Native people concerned. From 1982 to 1993, the Native people filed 174 applications for arbitration under the agreement. That is a huge number. It means that the Native people concerned had to fight inch by inch, make representations and file complaints with an arbitrator to enforce an agreement that they had signed in good faith. Of course, they are in a pitiful situation.

It is clear that for the Native people concerned, the project had very harmful consequences, as the Department of Indian Affairs has admitted. For example, in terms of the environment, the Department of Indian Affairs has admitted that some deterioration of commercial and recreational areas can be observed. I have spoken about it at length from the beginning. The department has also been able to observe an increase in mercury contamination. Those are waterways, and the presence of mercury in water is very harmful to fish and to those who eat that fish.

It was noticed that the drinking water in some communities was contaminated, this in an area where water is found everywhere. In northern Manitoba, there are lakes, rivers and streams on much of the land, but some of the water used by Aboriginal people was contaminated. A reduction in the quantity and the quality of fish was noticed. The Department of Indian Affairs recognized that game and fish became scarce.

In 1992, the Auditor General examined the issue. I must admit that, since I come from Quebec, I did not have a very good grasp of the issue, but the problem has been discussed for years in Manitoba. In 1992, the Auditor General found that the Department of Indian Affairs, which had signed the agreement on behalf of Canada, had not done its duty regarding the environmental aspects of this project. The Auditor General told us that the department had not conducted an adequate preliminary environmental assessment, that it did not have a plan to monitor the environmental impact of the hydroelectric project, and that it did not present a report to the bands concerned on the implementation of the recommendations made in 1975 regarding the environment.

The Native peoples concerned had told the Department of Indian Affairs that the project had serious consequences. Recommendations had been made in 1975, but the department did not implement them. Aside from these environmental considerations, the agreement also included provisions on major concerns of Native peoples, but these were not implemented.

Canada did not fulfill its commitment to transfer some land to the reserves, in exchange for the land that was flooded. Seventeen years later, in 1993–94, only one per cent of the promised land had been transferred.

• (1040)

Also, community development was never really promoted. Some initiatives were taken, as the parliamentary secretary said earlier, but little was done for community and economic development in those regions.

In 1980, a plan was developed to promote employment, health, transportation, housing and education. That plan was not implemented and, in spite of that, no monitoring process was devised to ensure its implementation.

Consequently, 20 years later we find ourselves with an enormous mess on our hands. Of course Hydro Manitoba is pleased: it generates electric power. The province is also pleased because it promoted its own economic development. The federal government was not seen to be particularly pleased, but then, during his speech earlier, the parliamentary secretary did express satisfaction that the bill before the House this morning

will free the Department of Indian Affairs from some of its duties.

The fact remains that some people benefitted from all this, some people benefitted from this development, but so far it has not been the Natives living on these territories. Why? Because the proposed agreement was ill–conceived and there was no agency to implement it. This agency, as I mentioned earlier, should have been the committee that negotiated on behalf of the aboriginal peoples, that is the Northern Flood Committee, but since the agreement did not provide for its funding, we are without such an agency.

Moreover, in 1983, the judge presiding over some of these matters stated that if someone had wanted to strip the committee of all its duties, he would not have acted any differently. The best way to go about it was to provide no funding at all. We must realize that this committee was supposed to implement the agreement over a vast territory. This would have entailed permanent staff, management, transportation costs, legal costs for representation in court. In any case, it would have cost a lot of money. The agreement did not provide funding for this committee. I think it should have, but it did not.

A solution had to be found, so, 1986, the committee which had overseen the negotiations for the agreement and managed to survive, proposed a new round of comprehensive negotiations to settle all outstanding claims and to put an end to all these disputes. This was in 1986, six years after the Agreement was signed.

Three years later, in 1989, a new round of negotiations started. This is a very slow process. Admittedly, aboriginal people are patient but when they ask for negotiations and these negotiations only start three years later, somebody somewhere is not making all the efforts needed to solve the problem.

In July 1990, another settlement agreement was signed on outstanding land claims and obligations. Among other things, it was decided to transfer at least 834 square kilometres of Crown lands to the Indians concerned. Thus, a settlement agreement was signed that was going to be used as a kind of framework agreement for the negotiations embarked upon by the Aboriginal peoples, since each one of them is in a unique situation. All of them are not located along the same river. Their physical and economic conditions differ. Of course, each and every one of them wants negotiations that meet its own particular needs.

But the agreement signed in 1990 was supposed to be a framework agreement. In 1992, the Split Lake First Nation, the one mentioned in the bill before us this morning, apparently accepted a special agreement that stemmed from the proposed agreement. As for the four other nations, negotiations are still going on. At the present time, they negotiate on an individual basis with the authorities to reach agreements. There are separate negotiations for each of the four nations. Was the intention to divide and conquer? If so, this was certainly successful.

• (1045)

The agreement signed by the Split Lake Cree Nation provides particularly for some rule on the water level, meaning that the aboriginal people will be consulted and will have their say on water levels and flows. The agreement specifies which lands will have to be transferred by the Crown to the province of Manitoba for the reserves and for the native populations. The agreement provides for a partnership for resource management and planning for the use of traditional lands. The agreement provides for adequate environmental monitoring with a very active participation by the Cree. The agreement provides for the payment of certain amounts per capita and pensions to the elders. This is part of the compensation owed to the aboriginal peoples for the losses they incurred due to the hydro development project.

The agreement also specifies that the right of native populations to have access to regular government programs is not diminished because of the fact that they have received money under this agreement. If we take away their right to have access to regular government programs because of the money they have received, they will be as poor as they were before.

It is also expected that measures will be taken to ensure that members of the native community affected can find jobs at Manitoba Hydro and that business opportunities are created to help these populations revitalize the local economy.

The agreement also provides for an adequate arbitration mechanism. This is essential because nothing guarantees that this agreement will always be implemented to everyone's satisfaction. So there is a need for an arbitration mechanism.

There is also the possibility of opening a trust account to make money available to the native people so that they can manage this own development. for development purposes. All these measures may require fiscal commitments of $15 million from the federal government and of $4 to $5 million from the province of Manitoba and Manitoba Hydro, as well as guarantees of some $21 million from Manitoba Hydro. This means that money will be made available to the Cree to stimulate economic development in the area.

Now, you may ask, since an agreement has been reached, why do we have to study a bill on this agreement? The bill is designed to facilitate the settlement of matters arising from the Split Lake agreement.

Thanks to this bill, the aboriginal population of Split Lake will be able to receive directly the money owed to them. It will not have to go through the federal government. My party has frequently asked this government for amendments to the current legislation that many people would welcome. At present, money made available to Indian or Native nations must go through the Indian affairs department, which is responsible for the manage-

ment of that money. With this bill, the Split Lake population will get administrative control over the funds made available to them.

This bill also exempts from reserve land status certain federal lands to be transferred. That will give the Split Lake population better control over those territories. That also means less responsibility for the department.

• (1050)

Native peoples will get better control, but, as a result, the department will have to assume lesser responsibilities as their trustee. What matters is that these peoples take charge of their own lives and that the trusteeship of the Indian affairs department gradually diminish.

The bill provides that the agreement takes precedence over the 1977 agreement. That agreement was bungled and ill–conceived. Therefore, the agreement the Crees signed in 1992 will have precedence over the clauses of the previous agreement that are not as clear.

There is also a dispute settlement mechanism under the Manitoba legislation. This means that people can be more easily summoned and that procedural rules are clearer and more restrictive for all parties.

Mr. Speaker, you can see from my speech that I have realized that there has been a hydroelectric development. The population has suffered because of that and should receive some kind of compensation. The Split Lake agreement signed in 1992 provides the population concerned with the means to look after its own development and the bill submitted to us will help that. That is the reason why the Bloc Quebecois supports this bill in third reading.

However, some issues were raised when we heard witnesses at the Standing Committee on Aboriginal Affairs. The Bloc Quebecois members sitting on this committee intend to suggest that the committee ask the minister that some of our recommendations be implemented in order that agreements with the other four nations now negotiating be reached.

We will ask that the committee negotiating that issue for Aboriginal people gets adequate funding to ensure proper service to the communities involved in future negotiations. We will ask that the federal government authorize anticipated payments or non–interest–bearing loans so that funds be given to people negotiating in order that they have immediate access to all the monies required for their economic recovery. And when other nations settle, the anticipated payments will be deducted from amounts due.

Perhaps we will also ask the Department of Indian Affairs and Northern Development to seriously consider reviewing the amounts the Split Lake nation settled for in the agreement reached if other communities should obtain much higher amounts through negotiations. We must say that the Split Lake people are taking a risk under the circumstances. They are the first to sign and the others could get much more. Canada, the province of Manitoba and Hydro Manitoba will benefit from the fact that people in Split Lake want to take that risk, but I think they should not have to put up with negative consequences in the future because they were the first to accept.

We will also ask the committee to recommend that the Department of Indian Affairs ensure the continued use of environmental impact studies, and we want the federal government to see to it that the parties act in good faith during current negotiations with the four other nations.

• (1055)

I am not accusing anyone, but I have the impression that in this process, especially in the case of the agreement signed in 1977, some people wanted to take advantage of the situation, and that the parties were acting in strict good faith.

Since my time is running out, I will start my concluding remarks.

The agreement before the House today is not a comprehensive agreement like those concluded in 1975 at James Bay, in 1984 on the Mackenzie, in 1990 in Yukon and in 1992 in Nunavut. This agreement concerns only one of the nations, but the philosophy is the same. In other words, faced with the fact that Aboriginal peoples were making claims and had rights in Canada, Canada and Quebec realized that it was necessary to have agreements in good faith involving aboriginal peoples and the various governments concerned.

In concluding, I may recall that the first agreement in this country was the agreement signed in Quebec with the James Bay Cree in 1975, while a side agreement was signed in 1978 with the Naskapi of Northeastern Quebec. It was the first significant and comprehensive agreement signed in Canada and was ratified in 1977 by an Act of Parliament.

Hon. members will recall that, at the time, the federal government's objective was to extinguish the aboriginal rights of all Indians who signed agreements. The Crees who signed the James Bay agreement relinquished their aboriginal rights to the lands concerned. These lands represented an immense territory of more than one million square kilometres, about 69 per cent of the territory of Quebec. This agreement was implemented.

I think Quebec can be proud of the fact that the agreement signed in the seventies by the Bourassa government was implemented by subsequent governments, including the Parti Quebecois government headed by Mr. Lévesque. These agreements were entered into in good faith by the Crees and the Neskapis, the federal government, the province of Quebec and Hydro–Quebec. As far as I know, the parties concerned, have seen to it that the agreement is respected. I think it has been, to the satisfaction of all parties. Substantial amounts of money were

made available to the James Bay Cree; their territorial rights are clear; they managed to organize a Native police force; there were propoer environmental assessments. As far as health and education are concerned, Cree communities have been able to set up all the services they need and are in charge of running their own affairs.

In closing, I can say that my party intends to support Bill C–36. An injustice has been done to the Aboriginal peoples in Northern Manitoba, and I think it is the duty of the federal government to redress it. If Bill C–36 before the House today can be helpful in this respect, it will be a pleasure for us to support this bill.

**The Speaker:** It being eleven o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members as provided under Standing Order 31.

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## STATEMENTS BY MEMBERS

[*English*]

### THE ECONOMY

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Mr. Speaker, on numerous occasions during the past few weeks members of the Reform Party have included in their statements the amount the debt increases during the one minute they speak. Fair enough. Emphasizing the seriousness of our economic difficulties is important.

But members of the opposite party fail to tell the complete story and ignore some of the important disbursements the government will make. In the next minute, $38,000 will be paid to seniors, $28,000 will be transferred to the provinces to pay for medical services, $15,000 will be disbursed to low income Canadians through the child tax and GST credits and $29,000 of tax expenditures will be incurred to support retirement savings plans.

Unlike some members of the Reform Party we in the government are cognizant of our social responsibilities to individual Canadians. We intend to ensure that people do not die for lack of medical care, do not go hungry for lack of food and do not suffer from exposure for lack of housing.

As Liberals we intend to live up to all of our responsibilities.

[*Translation*]

### COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Maurice Dumas (Argenteuil—Papineau, BQ):** Mr. Speaker, the Prime Minister has refused to create an external control mechanism to monitor the questionable activities of the Communications Security Establishment. In so doing, he is going against the traditional position of the Liberal Party of Canada.

In fact, the Liberal members on the special committee reviewing the CSIS Act in 1990 recommended that the CSE be subject to outside control. We also remember that the former Liberal Solicitor General, Robert Kaplan, believed as well that informal administrative controls are no longer sufficient. A democratic, independent external control mechanism is required for the activities of the CSE. The Bloc Quebecois believes that the government must make a parliamentary committee responsible for monitoring the CSE's activities.

* * *

[*English*]

### YOUNG OFFENDERS ACT

**Ms. Margaret Bridgman (Surrey North, Ref.):** Mr. Speaker, in 1992 in my riding of Surrey North a 16–year old boy named Jesse Cadman was murdered by Isaac Deas who at the time was a juvenile and on a court imposed curfew.

Since that tragedy Jesse's father Chuck has become very active in trying to change the Young Offender's Act. I have received over 1,000 letters from my riding expressing support for Chuck and his group CRY, or Crime, Responsibility and Youth.

Chuck's latest initiative is a lawsuit against the father of Isaac Deas and the crown for failing to enforce the court imposed curfew. Had that curfew been enforced, Jesse would be alive today.

I support Chuck Cadman in assigning responsibility to parents who seemingly have not made reasonable effort to exercise parental control. I support his effort to hold the crown accountable to those who are under its supervision in the community. I ask the Minister of Justice to make himself accountable to the Canadian public and heed the concerns of citizens like Chuck Cadman.

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### NATIONAL SLEEP AWARENESS WEEK

**Ms. Mary Clancy (Halifax, Lib.):** Mr. Speaker, I would like to take this opportunity to remind the House that the week of October 23 to 29, 1994 has been designated National Sleep Awareness Week.

[*Translation*]

Thousands of Canadians suffer from sleep/wake disorders. Sleep–Wake Disorders Canada meets the needs of people who have various sleep/wake disorders, from insomnia to diseases such as narcolepsy, excessive drowsiness and sleep apnea, where the person stops breathing several times during the night.

[*English*]

Sleep/Wake Disorders Canada is a national voluntary health organization devoted to helping people who suffer from sleep/wake disorders through the development of educational packages and the establishment of self–help groups in local communities across the country.

When we turn our clocks back at the end of this week, let us think of the difficulties some of our citizens have with various sleeping disorders and remember the efforts of Sleep/Wake Disorders Canada which sponsors National Sleep Awareness Week.

* * *

## INFORMATION TECHNOLOGY

**Mr. Andrew Telegdi (Waterloo, Lib.):** Mr. Speaker, the Waterloo area is a breeding ground for information technology entrepreneurs. There are currently 125 export oriented IT companies with a workforce of 5,500 in the Waterloo area. The current revenues are $600 million annually. They project that by the year 2000 they could have a workforce of 25,000 to 30,000. These are highly paid, knowledge based, export oriented jobs.

Yesterday I had the pleasure to host in Ottawa 14 CEOs representing IT companies. They met with officials of the industry department and ministers of the government. Their message to government was clear: they are not looking for handouts or subsidies.

They stated that it was easier for them to sell their IT products to the Untied States government than to the Canadian government. They asked that in cases in which their product was superior and priced better than the U.S. products that the Canadian government buy Canadian made IT products.

The logic of their plea to us is inescapable and our procurement practices should reflect this.

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## COURT CHALLENGES PROGRAM

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, this week the minister of heritage and the government reinstated at a modest cost the court challenges program. For those who are new to the House, the elimination of this program in 1992 was an example of the previous government's failure to protect the rights of disadvantaged Canadians.

• (1105)

This program funds equality seeking groups and individuals who seek to use the charter to establish their legal and constitutional rights and yet who do not have the financial resources to challenge on their own.

By bringing injustices to court for judgment, the rights of all Canadians are defined and enforced.

The Liberals, true to their red book word, have lived up to their promise.

* * *

[*Translation*]

## ETHICS

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, we wonder if the Liberals have not lost their red book somewhere between two phony consultations and three unkept commitments. But let us return to it anyway, to remind ourselves of their election promises.

Speaking of the importance of restoring public trust, the Liberals told us: "This erosion of confidence seems to have many causes: some have to do with the behaviour of certain elected politicians, others with an arrogant style of political leadership".

So on the first opportunity, the Liberal government and the Prime Minister gloss over an unpardonable indiscretion by a Cabinet minister. The Prime Minister casually rebuffs the Official Opposition which asks him to enforce the most basic rules of ethics. What has become of the Liberal promises? What has become of their principles?

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[*English*]

## LIBERAL GOVERNMENT

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, our country is drowning in deficit and haemorrhaging in debt. Yet day after day the Liberals jump to their feet to proudly announce that Canada is the best country in the world to live in.

When one compares Canada with other countries in the world, there is no contest. Even if things were two or three times as bad in Canada it would still be the best country in the world to live in.

I would like to suggest a different test for the Liberals to ponder. Compare how Canada is now with all these problems and how it could be were it not for 25 years of irresponsible Tory and Liberal governments. That is the real test.

By the way, as of this morning our national debt stands at $536,017,269,801.89. Shame on that irresponsible government.

*S. O. 31*

## DENNIS SWEETING

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** Mr. Speaker, I rise today to pay tribute to Mr. Dennis Sweeting, a constituent of mine who was recently appointed a member of the Order of Canada for his outstanding contribution to the performing arts.

Mr. Sweeting who lives in Sunderland, Ontario has had and continues to have a busy and active life. He has been a professional actor since 1938. He is the founding director of the Kawartha Summer Theatre and he is the former president of the Association of Canadian Television and Radio Artists. He served on the municipal council of the town of Lindsay as reeve and was elected by his peers as warden of the county of Victoria.

Mr. Sweeting is a well known and respected citizen in the riding of Victoria—Haliburton and encourages the youth of our country to pursue their dreams as actors and playwrights.

I congratulate Dennis Sweeting on his appointment. He is truly an outstanding Canadian who has devoted his life to improving the world around him.

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## ELMER MACDONALD

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, it gives me great pleasure to rise today and congratulate a constituent who has been recently named to the Atlantic Agriculture Hall of Fame. For more than 20 years the hall of fame has honoured people who have contributed greatly to our society. This year's recipient is Elmer MacDonald of Hunter River, Prince Edward Island.

Mr. MacDonald reflects the excellent calibre of farmers Prince Edward Island produces. He started out nearly 50 years ago as a small dairy producer and today is the owner and operator of his own dairy processing company, Health Milk Company, employing 40 people.

Mr. MacDonald attributes his success not to any large corporate management but to his family and his staff which have co–operatively built his small dairy operation into a thriving island business. Mr. MacDonald's accomplishment is an example of how family farms contribute to the success of society as a whole.

Mr. MacDonald is an island farmer who has brought prosperity to his family, his workers and his community. I congratulate him on receiving this honour.

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## SOCIAL SECURITY REFORM

**Mr. Stan Keyes (Hamilton West, Lib.):** Mr. Speaker, just the other night I conducted a town hall meeting in my riding of Hamilton West to gain some input on the social security review from my constituents.

I would like to thank everyone who attended the town hall that evening including my hon. colleague, the Parliamentary Secretary to the Minister of Human Resources Development.

• (1110)

Several valuable messages emerged from that town hall meeting. Those who spoke agreed that the status quo is not acceptable. The Hamilton District Labour Council implored us not to rush the process. We were told not to place the burden of cost cutting on the backs of the poor and disadvantaged. Students at McMaster University asked us to work toward a more progressive tax system.

I encourage all my colleagues in the House to conduct consultations in their own ridings on the social security review.

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[*Translation*]

## MANPOWER TRAINING

**Mr. Stéphane Bergeron (Verchères, BQ):** Yesterday, Mr. Speaker, yet another voice joined in the chorus in support of the transfer of manpower training powers from Ottawa to the provinces.

Indeed, Mr. Thomas D'Aquino, chairman of the Business Council on National Issues, stated yesterday that such decentralization would be ideal; it would be good for the Canadian economy as well as for the work force as a whole.

The consensus that has been taking shape in Quebec these past five years, and that I referred to yesterday, now extends beyond these boundaries. After more than five years of debate, five years of explanation and frustration, Quebec's message is finally being heard in other parts of Canada, or so it seems.

The last group of people to convince, the slowest, most sclerotic one, which has been refusing to listen for five years now, is the federal government.

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[*English*]

## JUSTICE

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, on October 22, 2,000 people gathered in south Surrey to remember 16–year old Pamela Cameron. Pamela fell victim to a cold blooded murderer on October 4 who pulled her off a busy street at four o'clock in the afternoon. However, Pamela is only one of many victims. Pamela's parents, her boyfriend, relatives, friends and schoolmates grieve her death. The communities of Surrey, White Rock and Milton, Ontario share their loss.

Many other victims never even met Pamela. These are our children whose parents now feel compelled to drive them to and from school, teenagers who cannot leave their homes unescorted,

and children who cannot play outside unless an adult keeps an eye on them.

The death of Pamela Cameron claimed only one life but it has impacted on thousands. We will never be able to legislate the end of all murders but we have the ability to prevent many.

Now is the time to pass the necessary legislation. Rhetoric and promises are not acceptable. Canadians are demanding action now.

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## LIBERAL GOVERNMENT

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, this being Friday I think it is the time to have a little good news to cheer us up for the weekend.

The statistics at the end of September indicate that the unemployment rate is down in Canada to 10.1 per cent. Three hundred and twenty–seven thousand jobs were created since this government was sworn into office. Sixty–six thousand more people are working this month than last month. The help wanted index was up by 14 per cent.

[*Translation*]

It is important to note that Angus Reid polls show the popularity of the Liberals at 57 per cent, confidence in the Prime Minister at 71 per cent, the popularity of the Liberal Party of Canada at 51 per cent in British Columbia, 48 per cent in Alberta, 61 per cent in Manitoba, and 68 per cent in Ontario.

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[*English*]

## INTERNATIONAL TRADE

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, the former U.S. negotiator Carla Hill said last week that the North American free trade agreement should be expanded to include other Latin American countries such as Chile.

We agree. Protectionist walls around the globe must fall. Protectionist self–interest can be best served by the tremendous benefit that trade can generate.

The new GATT agreement will stimulate global trade by an additional $755 billion U.S. over the next eight years. The global net income will increase by an additional $500 billion by the year 2005.

For every $1 billion in trade at least 10,000 Canadian jobs are created. United we stand.

Congratulations to both sides of the House for endorsing Canada's commitment to implement the World Trade Organization legislation. We expect our major trading partners to fulfil their commitment in time for January 1, 1995.



## CHILD CARE

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, last summer the 11 ministers of agriculture agreed to a set of rural initiatives which was to include a rural child care action plan. The department of human resources has apparently allocated something like $720 million to provide some 150,000 child care spaces and so far there is no indication of how much of that will go to rural areas.

• (1115)

I would appreciate it if the government and the minister in charge would give more consideration to the existing rural child care models. They are experimental.

Langruth, Manitoba has an active plan. This community of some 500 souls has provided a model of child care which goes beyond day care. It is working and needs special financing. It does not cost more than the other type but it needs recognition that the requirements are—

**The Speaker:** The hon. member for Calgary Southeast.

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## ETHICS

**Mrs. Jan Brown (Calgary Southeast, Ref.):** At first blush the 35th Parliament appeared like no other when 205 rookie MPs eagerly took their places in the House of Commons, unprecedented in any Canadian Parliament.

I am one of those rookies who ran on a platform that states: "We affirm that political parties should be guided by stated values and principles which are shared by their members and rooted in the political belief of Canadians. We believe in the accountability of elected representatives to the people who elect them".

Why is it today that I feel embarrassed as a member of this House when the honesty and integrity on which all of us supposedly ascribed to has been eroded? Public confidence in the politicians of this country will never be restored when inaction and imprudence creeps into the system.

As the hon. Prime Minister said in his throne speech: "Trust once shattered is difficult, almost impossible to rebuild".

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# ORAL QUESTION PERIOD

[*Translation*]

## ETHICS

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, yesterday, the Prime Minister told this House that he had been aware of the heritage minister's letter, the beginning of the month. Yet, we learned in today's *Ottawa Citizen* that ethics counsellor Howard Wilson said late Wednesday afternoon that he had never heard of the case.

Did the Prime Minister consult the ethics counsellor and, if so, when?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I did not speak to Mr. Wilson myself, but I asked that he be consulted yesterday.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, how can the Prime Minister explain to this House that he consulted the ethics counsellor only a few hours before the minister of heritage made his statement? Is this not an admission of how little importance he attaches to this counsellor's advice?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, when I was informed of the minister's letter, I knew that Privy Council advisers had analyzed the problem and I was given a recommendation to that effect. I did not know whom they consulted. I was briefed on the various options. I knew that Mr. Sharp had been consulted and I thought that Mr. Wilson had been consulted, but that did not change the decision. The decision is still the Prime Minister's responsibility. The Prime Minister cannot say, "My counsellor advised me to do this or that". At the end of the day, the Prime Minister must take his responsibilities and that is what I did.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, it is ironic that, after making such a big fuss over the appointment of an ethics counsellor, they consult him only a few hours before a statement, probably to save face.

Given his party's ambitious commitments with regard to integrity and openness, does the Prime Minister not agree that the episode of the letter shows that his government is in no hurry to adopt clear guidelines for ministers, especially when dealing with quasi-judicial bodies?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I checked the long-standing guidelines on this, and those concerning judges are very clear. They say that anyone who has a problem with the judiciary must go to the Minister of Justice. It is very clear that a minister cannot write or telephone a judge. Even when I was a minister, there were guidelines to the effect that one must go to the Minister of Justice, who must use his judgment.

• (1120)

As for the guidelines for members of Parliament and ministers concerning quasi-judicial bodies, they say that there must be communications among these bodies, but after reading the guidelines yesterday, I concluded that they were not clear enough and I ordered that new ones be prepared.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

After a series of failures, including the Ginn Publishing episode, the avowed helplessness of the minister to adequately protect the interests of French-speaking people living outside Quebec, and now his refusal to resign following his blunder with the CRTC, the minister no longer has any credibility.

At a time when the government is about to slash his budget, what credibility does the minister think he still has to protect the interests of Canadian cultural institutions and industries?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I assume my responsibility to all Canadians who expect me to look after their interests, including those of cultural communities..

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, does the minister not think that, given his poor record and his inability to deal with several major issues, he would have served the interests of Canadians better by resigning yesterday, as he was asked to do?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the answer is no.

[*English*]

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, yesterday the Prime Minister said that he had learned of the letter to the CRTC from the Minister of Canadian Heritage at the beginning of the month of October and that he had consulted the ethics counsellor.

I draw the House's attention to yesterday's *Hansard* at page 7312 where the Prime Minister is quoted as saying:

> I consulted the government's ethics counsellor and one I appointed for myself—

In light of those remarks I would like to ask the Prime Minister how he could say just a few moments ago that: "I did not speak to him myself. I asked that he be consulted". Further, how could he justify saying just a few moments ago: "I thought Mr. Wilson had been consulted". Why the discrepancy?

[*Translation*]

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, when you are Prime Minister, you have people working for you, preparing reports and discussing issues. Officials worked on this issue and then made recommendations.

As to the minister's letter, I was of the opinion that he had made a mistake, but when he realized that, he himself corrected the situation. I knew that the issue had been reviewed by lawyers from the Privy Council Office. These people do not come to see

from the Privy Council Office. These people do not come to see me personally; I have an excellent Clerk of the Privy Council who keeps me informed.

I did receive the recommendation. I did not ask them to whom they had talked. The recommendation was made to the Prime Minister who is fully responsible.

[*English*]

The Prime Minister is fully responsible. With all the facts in front of me I said I think that the minister made an error in not being that careful but he tried to correct it as soon as he realized his error. I did not ask him to resign. Eventually I asked if Mr. Wilson had been consulted in the process. I have been told he was not. Therefore, I asked that he be consulted right away. He was consulted yesterday and he gave his advice. The advice he gave was given to me and it did not force me to change my mind about the decision I took a few days ago.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, this is not something we are dealing with just a couple of days ago. The ethics counsellor said that he was contacted on Wednesday night, not by the Prime Minister or his officials but by a Southam News reporter. This has been going on literally for months. According to the ethics counsellor he was only contacted Wednesday night. This is not good enough.

I ask the Prime Minister: Where are the reports and the minutes from this meeting with the ethics counsellor? Why can we not have all the facts for this? Will he table a report from the ethics counsellor with the facts?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is not about that at all. I said that the Prime Minister is responsible. I was made aware of the problem. I looked at all the facts and I made the decision. I am fully responsible.

• (1125)

If I were to make the wrong decision and then come into this House and say that I received advice from somebody telling me to do this or that you would have said: "You are the one responsible". I take full responsibility on that matter.

The Prime Minister can consult whomever he wants. At the end of the day when he gets up in this House he is the only person responsible. I am not running away from my responsibilities.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, that is exactly what we are asking for: absolute responsibility and accountability from every member in this Chamber.

Instead of establishing an independent ethics watchdog to investigate ministers and hold them publicly to account, the government has established an ethics lapdog that answers to nobody but the Prime Minister. The Prime Minister keeps him in the dark and employs him only when he is needed at the last minute to excuse the actions of an embattled minister.

Will the Prime Minister stop dodging his responsibilities as he is proud to do and demand the resignation of the Minister of Canadian Heritage?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I explained the situation yesterday. I said that it was an honest mistake. The minister recognized that himself and acted without pressure from anybody outside. When he realized it was interpreted like that and when checking the guidelines he realized he wanted to correct the situation and he wrote the letter. I was satisfied with that.

I would have preferred that he had not written the letter of course. But as I said, when you look at the facts it was not to influence a decision, it was to have a decision. When you look at the facts today the letter was written in relation to one applicant who did not get the permit. He lost it.

* * *

[*Translation*]

## CULTURAL INSTITUTIONS

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

After weeks of waiting, the government will release today a series of studies on the future of its cultural institutions, for the sole purpose of justifying the major cuts it is about to make in that sector.

Does the Minister of Canadian Heritage realize that imposing major budget cuts to cultural institutions, such as the NFB, will only result in jeopardizing their integrity, and even the survival of an institution which is internationally recognized?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the hon. member thinks that the Minister of Canadian Heritage has made decisions concerning the future budgets of some federal cultural institutions. This is only an assumption.

What I did was to have these studies made public precisely so that people and institutions concerned can react. This is in total agreement with the government's desire for transparency in these fields.

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, does the minister endorse the recommendations contained in the Secor report on Telefilm Canada, to the effect that investments should be limited to presumably profitable ventures, from a commercial point of view, and does the minister realize that the implementation of such a recommendation would jeopardize the whole independent film production industry, thereby affecting young producers and original work?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, if I had endorsed anything, it would mean that I would have already made decisions. My original answer indicates that I did not make any such decision.

* * *

[*English*]

## ETHICS

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, yesterday we were concerned about the judgment of the Minister of Canadian Heritage. Today we are concerned about conflicting statements by the Prime Minister who yesterday said: "I consulted. I consulted with the ethics counsellor". Today he is saying: "I asked somebody else to go and see him and see what he said". This is a discrepancy and I am very concerned.

The Mulroney government was not known for setting high standards but at least when it had a problem it was dealt with immediately. This Prime Minister has not.

I ask him to ask his minister to resign immediately and clear the air.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, yes, I consulted. I asked somebody to call him to ask him the question. He gave a very clear answer. He did not speak to me directly. Most of the time I have a staff that consults with me because I have a lot of work to do. The answer that came from him did not lead me to change my mind about the decision I had made earlier in the month. I think it was October 1 and we are still in the month of October.

• (1130)

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, on page 95 of the red book, the Liberals promise and I quote: "to appoint an independent ethics counsellor that will report directly to Parliament". This is a broken promise made by the Prime Minister during the election campaign. The Prime Minister has said that he would be accountable for fulfilling every promise in the red book. This need not have happened. The Prime Minister would not be in this mess had he stood up and kept his own promises.

I ask the Prime Minister to give the ethics counsellor his independence, make him responsible to Parliament, and allow him to report directly to Parliament on this issue as he promised. Then he would not be in such a mess as he got himself into today.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we debated that theory in the House at that time. We came to the conclusion that at the end of the day, whatever advisers you have around you, when you are the Prime Minister you make the decision. Even if that adviser is to report to Parliament, I will have to decide whether I do or do not keep a minister in the cabinet. Nobody but the Prime Minister chooses a cabinet minister and is responsible for the cabinet.

The man does the advising but the decision remains the responsibility of the only one who is responsible for the cabinet, the Prime Minister of the country.

* * *

[*Translation*]

## COPYRIGHT

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, my question is for the Minister of Canadian Heritage. It is becoming more and more obvious that the delay in tabling the long–awaited bill on Phase II of the copyright law reform is attributable to the inability of the heritage minister to agree with his colleague, the industry minister, on the scope of the recognition of neighbouring rights.

Will the minister recognize that his industry colleague and himself hold completely opposite views on this issue and that his weakness and lack of credibility could well put him at a disadvantage vis–a–vis his colleague who is prepared to defend the interests of industry at the expense of creative artists?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, I would like to respond to this question because it is based on a fundamentally incorrect premise, which is that the Minister of Canadian Heritage and I have some kind of disagreement over this issue.

The reality is that we have been working very closely together. We are ad idem on this. We intend to bring forward proposals to our cabinet colleagues in the very near future with respect to phase two of the copyright laws and we expect to see it enacted into law in the very near future.

[*Translation*]

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, I have another question for the Minister of Canadian Heritage. Will the minister confirm that the economic studies carried out by his department on neighbouring rights are complete? And for the sake of transparency, as he was saying a minute ago, can he tell us when exactly he intends to release these studies?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I will make a decision after having completed my own analysis to determine whether they make a major contribution to the issue.

[*English*]

## CRTC

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, the Minister of Canadian Heritage wrote a letter to the CRTC supporting the Daniilidis application on March 15. On March 29 the minister received a letter from the CRTC thanking him for, and I quote the secretary general of the CRTC: "Your letter of support for the application by Telemedia". The minister stated yesterday that having received the CRTC's letter he reacted quickly to remove the misunderstanding that had arisen.

The minister took six months to respond to this letter from the CRTC. For six months the CRTC was under the impression the minister was endorsing the Telemedia proposal.

• (1135)

Does the Minister of Canadian Heritage consider his six month delay in responding to the CRTC a quick and efficient response to a matter of such importance and urgency?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I made a statement in the House yesterday which fully covers the point raised by my colleague.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, this minister has compromised the integrity of every member in the House. The minister's intervention has now tainted—

**Some hon. members:** No, no.

**Mr. Young:** Speak for yourself.

**Mrs. Brown (Calgary Southeast):** The minister's intervention has now tainted the CRTC decision regarding CHOM and Telemedia. In fact, both applications have been denied. How can the minister deny that his intervention did not influence both decisions?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, our colleague does not seem to understand there has been no intervention. This was the subject of the discussion yesterday.

* * *

[*Translation*]

## AIR TRANSPORTATION

**Mr. Philippe Paré (Louis–Hébert, BQ):** Mr. Speaker, my question is directed to the Minister of Transport.

According to a Transport Canada inspection report, there were major irregularities in the maintenance control system for aircraft owned by Royal Aviation Inc. The report even mentions that Royal operated aircraft that would not have received an airworthiness certificate if they had been inspected at the time.

What explanation does the minister have for the fact that an air carrier can operate aircraft without an adequate maintenance control program, and what does he intend to do to ensure passenger safety?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, the issue raised by the hon. member is a very important one. The Department of Transport is responsible for ensuring passenger safety in all public transportation, and I can assure the hon. member that I will look into the situation he described, because we cannot afford to leave any doubt as to the quality of the inspections that are made and the carrier's responsibility to know and abide by all the regulations issued by my department.

**Mr. Philippe Paré (Louis–Hébert, BQ):** Mr. Speaker, would the minister agree that stricter control measures such as surprise inspections and monitoring carriers that are at risk are necessary in order to guarantee passenger safety?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I could not agree more. We all know that the Government of Canada and especially the Minister of Transport have a fiduciary responsibility with respect to safety. I can assure the hon. member and the travelling public that everything has been done to ensure that safety. If there are any deficiencies in the control system at the present time, we will look into it and act in the best interests of Canadians who use public transportation.

* * *

[*English*]

## THE ARCTIC

**Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.):** Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Foreign Affairs. It concerns Canada's circumpolar arctic region. This area contains rich natural resources and extremely fragile but vitally important ecosystems which can potentially affect the global climate.

Furthermore, this arctic region is home to and provides an important economic base for many of Canada's aboriginal peoples. Will the parliamentary secretary please tell the House what the government is doing to safeguard Canada's interests in the Arctic.

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, it has been part of this government's platform to safeguard Canadian interests in the Arctic. The House will be very pleased to know that the government has fulfilled that mandate by appointing Mary Simon as circumpolar ambassador.

She is the first Inuk to hold an ambassadorial position and will begin on Monday, October 31. This government is also supporting what the committee heard from many witnesses across Canada, the establishment of an arctic council to protect the interests of the aboriginal people, of the environment, et cetera.

The government is committed to supporting such an Arctic council. We are also very interested in preventing other nuclear spills and in protecting the environment.

• (1140)

I knew the members would be very interested in the government's commitment to protecting the Arctic and especially the indigenous people in that part of the world.

* * *

## CRTC

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, we know that the minister of heritage sent a letter to the CRTC that may have influenced the process of an arm's length quasi–judicial body under his jurisdiction. He has admitted this is improper.

Can the minister tell the House how he should properly communicate with the CRTC?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, I wish to remind our colleague that I said quite clearly that my letter to the CRTC is not intended to convey support for or opposition to the application.

I think this is clear. This statement was made as soon as I had evidence that there was misinterpretation of my original letter. I will be very careful in the future to make sure that whatever I state leads to no misunderstanding.

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, I am not quite sure if my question was answered. It is very hard to find it in that discourse. I would follow with a supplementary.

Was the Minister of Canadian Heritage ever advised by the Prime Minister on the proper procedure for communicating with the CRTC?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the Prime Minister explained earlier the rules both with regard to the legal system and the regulatory system and what he intends to do.

* * *

[*Translation*]

## TOURISM

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, my question is for the Minister of Industry.

During his trip to Vancouver, the Prime Minister announced his government's strategy on tourism. Using the excuse of a need to co–ordinate the activities of all stakeholders in this area, the federal government is preparing to interfere once again in a field already well under provincial jurisdiction.

Does the minister not realize that by creating a Canadian commission on tourism with the mandate of promoting, within Canada and abroad, our country as a tourist destination, he is creating a new source of costly overlap?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, I would like to explain to the hon. member that in addition to the obvious benefits of tourism in the job creation front, one of the key components of this strategy is to address the very significant part that the tourism account deficit plays in our current account deficit which is about $30 billion a year and represents in effect the amount we have to borrow from foreigners every year.

To displace Canadians going offshore is as valuable to our current account deficit as it is to attract foreigners to Canada. Therefore by promoting Canada to Canadians we are also solving our fundamental issue.

It is not a duplication. It is an opportunity for us to ensure that all Canadians understand what a wonderful and rich country they share.

[*Translation*]

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, the purpose is to make all Canadians aware of the magnificent beauty of their country.

In that context, is the Minister of Industry willing to admit that the true reason Ottawa is trying to gain control over tourism promotion within Canada is to use it as a tool for promoting Canadian unity in preparation for the upcoming referendum in Quebec?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, this is really a rather silly question because the way the Prime Minister has announced the formation of the commission is that it is going to be on a co–operative basis. We expect and hope to have the co–operation both of provincial governments as well as the private sector in the establishment of the Canadian tourism commission.

• (1145)

Decisions on the expenditures of the promotion account—because this is entirely intended to encourage demand for tourism—are going to be collective decisions. If people in the Government of Quebec do not wish to participate that is up to them. However I suspect that representatives of the Quebec tourism industry will see the promotion of tourism in the province of Quebec as a real asset for their industry and for their province in creating jobs in the province of Quebec and elsewhere in Canada.

## CRTC

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, the *Globe and Mail* reports this morning that the only reason the minister of heritage responded to the inappropriateness of his blatant intervention into the CRTC application was that a member of the Greek community in Montreal wrote to complain after discovering the intervention letter in the file.

Yesterday, when my staff went through that file, there was a letter from Mr. Mike Pattichis complaining strongly about the application but there was no letter from the minister of heritage, nor was there the other letter from Mr. Pattichis which we suspect is the original complaint.

I would like to ask the Minister of Canadian Heritage where those letters are and why they are missing from the file.

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, our colleagues from the Reform seem to have a lot of information, lots of files and a lot of letters.

What I have done is to put on the record of this House the letters I wrote.

**Mr. Randy White (Fraser Valley West, Ref.):** Make no mistake about that, Mr. Speaker. We do have some information but we are trying to get a little more.

One wonders how much Canadian people are being duped in this exercise, because staff at the CRTC assured us that this information is all public. The file is at the CRTC, if the minister would like to know. Now we find the very information Canadians require has been removed at the last minute.

What I would like to know is who removed the letters, at whose direction, when they were removed and why.

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, these are allegations which are to my knowledge unfounded.

Yesterday I was asked whether I could also table the letter dated September 20. It was not written by me. I said I would consult with the person who produced this letter, and I said I would table it if the author of the letter was in agreement with it.

* * *

[*Translation*]

## UNEMPLOYMENT INSURANCE

**Mr. Réginald Bélair (Cochrane—Superior, Lib.):** Mr. Speaker, my question is for the Secretary of State for Parliamentary Affairs.

Statistics Canada has reported a significant decrease in the number of people receiving unemployment insurance in the last eight months, that is 12.3 per cent less than in 1993.

Could the Secretary of State explain this rapid change and its consequences for the unemployment insurance fund?

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, for the benefit of the hon. member and all my colleagues in the House, I will say that the decrease in the number of people receiving unemployment insurance is due to a sharp upturn in the economy.

We have created 340,000 jobs since we came to office; 90 per cent of these jobs are full–time, young people have filled more than 50 per cent of the jobs created in September and 147,000 of the new jobs went to women. This is the result of all the measures taken by our government: infrastructures, Youth Service, initiatives, and statistics. This will ease the implementation of our reform of social programs.

* * *

## REGIONAL DEVELOPMENT

**Mr. René Canuel (Matapédia—Matane, BQ):** Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The federal government has announced the establishment of 13 regional offices to provide one–stop service to small– and medium–sized businesses.

• (1150)

The federal government has also confirmed its plans to interfere further with regional development, in spite of the consensus in Quebec for full powers to the province in this area.

Does the minister recognize that, after dismissing Quebec's claims over manpower training, Ottawa is about to do the very same thing with regional development? Is that the kind of co–operation we were promised by Ottawa?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the federal government is always prepared to co–operate with any province, including Quebec, on any issue in which we have common interests.

In the case in point, the Federal Office of Regional Development already has 13 offices in Quebec; they have been there for over 20 years. No new office is being established. These offices already exist. What the minister responsible for the FORDQ did announce was the provision of an additional service to small– and medium–sized businesses, to improve operations through centralization of information on federal programs in existing offices of the FORDQ.

**Mr. René Canuel (Matapédia—Matane, BQ):** Mr. Speaker, my supplementary question is for the same minister.

Does the minister recognize that his repeated attempts to increase federal government visibility in the regions only increases duplication between Ottawa and Quebec and that, in the end, it is the taxpayers and the regions that pay the shot?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, we are the ones who have just put in place a system to reduce duplication and overlap. We already have eight provinces on board. Unfortunately, Quebec did not see fit to join us in reducing duplication and overlap.

In the case in point, the information we will be providing small business is information on federal programs, including international marketing insights that can only be gained through the federal government. That is why we plan to use these 13 existing offices to provide extra services to businesses.

* * *

[*English*]

## ETHICS

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, my question is for the Prime Minister.

There is a clear discrepancy between what he said in the House yesterday and what he is saying today with respect to the ethics counsellor, meeting with the ethics counsellor and checking with him.

Another discrepancy is that yesterday the ethics commissioner said that there were no explicit guidelines for cabinet ministers dealing with government agencies. Has the Prime Minister not given the ethics commissioner a copy of the interest guidelines? I have a copy here if he wants an extra one.

**The Speaker:** Once again I appeal to colleagues not to use any props.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, ministers have received books on guidelines. I have explained earlier that in the case of communications with the judiciary it is very clear they cannot do that directly by telephone or by letter.

They have to call, if they have a problem, the Minister of Justice who is the only one authorized to do something if the Minister of Justice decides to do something.

In the case of quasi–judicial bodies that relate to the affairs of the government, the affairs of the members of Parliament and so on, the guidelines were not clear to my satisfaction.

I have asked the Privy Council Office to prepare new guidelines in consultation with Mr. Wilson. I hope these guidelines will be ready very soon, and I will instruct ministers to follow them very clearly.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I hope I can clear this matter up.

The object of this code is to enhance public confidence in the integrity of public office holders which includes ministers of the crown, I might add. It further states under preferential treatment that "public office holders shall not step out of their official roles to assist private entities or persons in their dealings with the government where this would result in preferential treatment to any person". If that is not clear, I do not know what is.

In light of this revelation, would the Prime Minister admit that a serious breach of conduct occurred, just as bad as Mr. Charest and just as bad as Mr. Munro went through and therefore he has no choice but to restore integrity—

● (1155)

**The Speaker:** As a general rule we do not refer to ourselves by our names in question period.

**Mr. Silye:** Mr. Speaker, I will put my question. In light of this revelation, Mr. Prime Minister, would you admit that a serious—

**Some hon. members:** Order.

**The Speaker:** Would the hon. member please put the question.

**Mr. Silye:** Would the Prime Minister admit that a serious breach of conduct has occurred and therefore he has no choice but to restore integrity to the office of the minister of heritage and ask for his resignation?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have explained very clearly the rules that apply to communications with the judiciary. I explained clearly that my conclusion is that we have to make some clear directives in relation to the quasi–judiciary bodies that exist in the government.

Of course all these bodies report through ministers to Parliament. That is one of the problems. Ministers receive communications from members of Parliament. Every member of Parliament is obliged as a member of Parliament to listen to representations from constituents and ask that they be treated fairly. That is the work of every member of Parliament and ministers are members of Parliament.

We have to make the situation clear as to how a minister can be a member of Parliament at the same time. We cannot deprive

the constituencies that have ministers or the prime minister of the responsibility of public office holders to deliver the services that a member of Parliament is expected to do for his or her constituents.

* * *

[*Translation*]

## RESEARCH AND DEVELOPMENT

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, my question is for the Minister of Industry. Quebec has 30 federal research establishments that employ 2,533 workers, accounting for 11 per cent of jobs in federal facilities of this type in Canada, while the Chalk River centre in Ontario alone has 2,000 employees.

Does the Minister of Industry agree that there is a major imbalance in the distribution of federal research facilities in Canada and that Quebec does not receive its fair share of federal jobs in research and development?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, the hon. member knows very well how important research and development in Canada are for science and technology, which benefit all Canadians.

[*English*]

It is not possible to say that this is exactly how all federal research money should be allocated, given the fact that much of the existing research money spent by the federal government is in support of carrying out the mandates of federal departments. It is obviously going to result in a disproportionate amount of the total spending occurring close to the seat of government.

When he takes that number out of the calculation the member will discover that in fact Quebec has more than its proportionate share.

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## CRTC

**Mrs. Diane Ablonczy (Calgary North, Ref.):** Mr. Speaker, the Prime Minister has told the House that when the Minister of Canadian Heritage wrote the letter we have been talking about he was just acting as an MP. Then he said that the minister made a mistake.

Since he cannot have it both ways, acting reasonably and properly as an MP and making a mistake, I would like the Prime Minister to tell the House which interpretation of the minister's conduct is the correct one.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, of course when a minister is faced with a situation like that he or she has to realize he or she is a minister at the same time.

Members write all the time to commissions recommending somebody or asking that a file be studied. A minister has to be more careful. That is why I said the Minister of Canadian Heritage should have been more careful, but he was acting in good faith as a member of Parliament. His letter was very clear. He asked for due process. He was not asking for a favour.

In reality what happened was that when the decision was made the person he wrote for did not receive the permit. In fact somebody else got the permit, so the letter did not help at all.

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## SOCIAL PROGRAMS

**Mrs. Jane Stewart (Brant, Lib.):** Mr. Speaker, my question is for the Minister of National Revenue.

Newspaper reports indicate that many wealthy Canadians are receiving support under Canada's social security programs. Some are receiving unemployment insurance benefits; others the child tax credit.

• (1200)

Will the minister please tell the House how he intends to ensure that the support of Canada's social security programs remains available for those Canadians who are truly deserving?

**Hon. David Anderson (Minister of National Revenue, Lib.):** Mr. Speaker, I thank the hon. member for drawing attention to this very important question which deals with the allocation of scarce government resources.

I should point out that wealthy people currently receiving these benefits are doing so entirely legally. It is exactly that reason why the minister responsible for human resources has tabled the social security review for members to examine. It is exactly for that reason we are embarking upon a debate on these measures that we have inherited from the previous government.

I trust that other members of the House will also take part in this and make sure they follow the lead of the hon. member for Brant. I would add how important it is also to recognize that we should reject these constant demands from the opposition not to touch the tax system. If we accepted its demands we would be unable to make these changes which will free up scarce resources for people who need them most.

I would suggest that both with respect to the debate on social security and in the preparatory discussions for the budget we take full part in making sure the system is improved so scarce money goes where it should go.

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## CHILD CARE

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, my question is for the Minister of Human Resources Development, to whom I sent notice yesterday.

Last summer the 11 ministers of agriculture set up a rural initiative to develop child care in the rural parts of Canada. That

budget will come from the human resources department which now has some $700 million for 150,000 child care spaces.

I wonder what proportion of that will go to rural areas. Will it use the Langruth, Manitoba model of delivering child care which is quite flexible and perfectly suited to rural needs?

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there is a $720 million federal commitment not yet allocated on a provincial basis. The minister is looking at it and definitely, through negotiations, will answer the problem.

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### PRESENCE IN GALLERY

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of a Chinese delegation led by Mr. Yue Qi–Feng, Governor of Heilongilang province.

**Some hon. members:** Hear, hear.

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## ROUTINE PROCEEDINGS

[*English*]

### GOVERNMENT RESPONSE TO PETITIONS

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to seven petitions.

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### COMMITTEES OF THE HOUSE

TRANSPORT

**Mr. Stan Keyes (Hamilton West, Lib.):** Mr. Speaker, I have the privilege to present, in both official languages, the second report of the Standing Committee on Transport. This is a report on Bill C–38 which was referred to the committee following first reading. It is the first bill under this new procedure to be reported back to the House.

While this bill is the first to follow this unprecedented process, I would draw to the House's attention the fact that the committee study of this bill was done with professionalism and serious effort which is the proud tradition of the transport committee and the hallmark of its members.

### PETITIONS

VIETNAM

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I have the honour and pleasure to introduce a petition on behalf of the Canadian Vietnamese community.

This petition is signed by constituents throughout the Ottawa—Carleton region.

• (1205)

They are calling on the Government of Vietnam to deal with the issue of human rights in an expeditious fashion. They are also calling on the Government of Vietnam to respect their religious freedom.

I hope in the spirit of dialogue that the Government of Vietnam would take this as a representation from the Canadian–Vietnamese community.

LEADER OF THE OPPOSITION

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, I also have two other petitions to table in accordance with Standing Order 36. They deal with the role of the Leader of the Opposition.

ABORTION

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, I have two sets of petitions. The first petition says that whereas the majority of Canadians respect the sanctity of human life and whereas human life at the pre–born stage is not protected in Canadian society, therefore these petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, the second petition is from 121 petitioners who believe the privileges which society accords to heterosexual couples should not be extended to same sex relationships. They request that Parliament not amend the human rights code, the Canadian Human Rights Act, or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships.

LEADER OF THE OPPOSITION

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, I have a petition from many residents in my riding of Leeds—Grenville calling on Parliament to inform the Leader of the Opposition that he is not supporting the majority view of the residents of Leeds—Grenville when he is travelling to all parts of the world to promote the separation of Quebec from Canada.

HUMAN RIGHTS

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, I have five petitions to present today. In the first the petitioners pray and request that Parliament not amend

the human rights code, the Canadian Human Rights Act, or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ABORTION

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, I have two petitions where the petitioners pray that Parliament will act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, the final two petitions pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and to make no changes in law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, I have three petitions today. The first petition is asking that Parliament continue to reject euthanasia and physician assisted suicide in Canada, that section 241 of the Criminal Code be vigorously enforced and that Parliament consider expanding palliative care that would be accessible to all dying persons in Canada.

MINING

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, the other two petitions deal with the mining industry in Canada. In light of the mining industry being forced to look to new opportunities outside of Canada and in light of the Canadian mining industry having proposed a 10 point plan, it is requesting that Parliament take action to increase employment in this sector, promote exploration, rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada.

HUMAN RIGHTS

**Mr. Andrew Telegdi (Waterloo, Lib.):** Mr. Speaker, I am presenting petitions that were recently collected at the Waterloo Pentecostal Assembly. One with 308 signatures deals with sexual orientation. The petitioners pray and request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality.

ASSISTED SUICIDE

**Mr. Andrew Telegdi (Waterloo, Lib.):** Mr. Speaker, the next petition that was collected at the Waterloo Pentecostal Assembly deals with the issue of the sanctity of human life. The petitioners pray that Parliament ensure present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

• (1210)

ABORTION

**Mr. Andrew Telegdi (Waterloo, Lib.):** Mr. Speaker, I have a third petition collected by the Pentecostal Tabernacle dealing with abortion.

The petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

MARKHAM—WHITCHURCH—STOUFFVILLE

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I rise in the House today to present a petition signed by approximately 300 people of the Markham—Whitchurch—Stouffville riding.

The petitioners claim: "Their member has admitted to inexcusable behaviour. He intentionally misrepresented his credentials and his constituents have absolutely lost all respect for and confidence in their member to represent them".

The petitioners would like their member's indiscretions thoroughly investigated; and if found unfit to serve that his seat be declared vacant so that a byelection may be held.

ASSISTED SUICIDE

**Ms. Margaret Bridgman (Surrey North, Ref.):** Mr. Speaker, pursuant to Standing Order 36 I rise to table a petition from residents of my constituency of Surrey North. The petition signed by 141 residents asks that the Parliament of Canada not repeal or amend section 241 of the Criminal Code in any way and to uphold the Supreme Court of Canada's decision of September 30, 1993 to disallow assisted suicide and/or euthanasia.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 63 will be answered today.

[*Text*]

Question No. 63—**Mr. de Savoye:**

What is the cost of the duplication and overlap pointed out by the Auditor General of Canada in his most recent report on page 471, paragraph 18.2 where he writes that "the development of seniors policy and programs is unco–ordinated and fragmented; some duplication and overlap result"?

**Hon. Diane Marleau (Minister of Health):** In his 1993 report the Auditor General did not attach cost figures to the duplication and overlap mentioned in paragraph 18.2 on page 471.

Since the report's release, however, all key elements of the 1988 seniors' strategy have been consolidated into a single unit within Health Canada with an administrative cost saving of $250,000.

[*Translation*]

**The Acting Speaker (Mr. Kilger):** The question enumerated by the Secretary of State has been answered.

**Mr. Gagliano:** Mr. Speaker, I ask that the remaining questions be allowed to stand.

**The Acting Speaker (Mr. Kilger):** Shall the remaining questions stand?

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## SPLIT LAKE CREE FIRST NATION FLOODED LAND ACT

The House resumed consideration of the motion that Bill C–36, an act respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land, be read the third time and passed.

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, I am pleased to rise today in support of Bill C–36, the Split Lake Cree First Nation Flooded Land Act.

Before I start to speak about the quality of the bill, I want to make it clear that the government can take no credit for drafting the agreement. As much as it pains me, I have to acknowledge that the previous government and the people negotiating on its behalf did an excellent job on the agreement.

At the same time I will not hesitate to credit the present government for implementing this agreement by way of Bill C–36.

I am confused as to the display of schizophrenia on behalf of the government when back in June it introduced a couple of pieces of legislation dealing with aboriginal issues, namely Bills C–33 and C–34 which were terrible pieces of legislation and terrible agreements. Now in direct contrast it is introducing a bill that has a great deal of merit. I wonder how the present government can take such opposite views of agreements and still call it good legislation.

As an example, when we compare Bills C–33 and C–34 with the way Bill C–36 was introduced, on Bill C–36 there was plenty of time the analyse the legislation and the agreement to make reasoned, logical decisions. In contrast to that, Bills C–33 and C–34 were presented a very short time before debate. There was no time to analyse the two bills before they were debated in the House.

On Bill C–36, there was plenty of time to prepare a response to the bill and the agreement through a detailed analysis. On Bill C–33 and Bill C–34 as you know, Mr. Speaker, there was no time to prepare adequate responses. Once the bills were rammed through the House, we had time to come up with more reasons why those bills should not have gone through.

• (1215)

In contrast there was plenty of time to debate Bill C–36, which we really appreciated. Our party has debated it at length. It is good legislation. By contrast the Liberal government invoked closure on debate on Bill C–33 and Bill C–34. It devalued the democracy that was present in the House.

We appreciate the debate time we have had on Bill C–36. Bill C–36 is an excellent agreement, an excellent piece of legislation because there is finality to it. It actually reaches a conclusion. The amount of moneys payable under the agreement are set. They are predetermined. They will end at a particular date.

As opposed to that, in Bill C–33 and Bill C–34 it is completely open–ended. It is a blank cheque piece of legislation. There is no finality to it. There are so many grey areas that we could be paying for the same thing over and over again for generations to come. We appreciate the finality that Bill C–36 has and we question the reasoning behind Bill C–33 and Bill C–34 that the government was so pleased about.

By contrast again, in Bill C–36 there was sound logical and reasonable solutions put into this agreement to solve the problem. Contrast in Bill C–33 and Bill C–34 there was no reason, no logic, no sound solutions to the problem, just vague statements that left the opportunity for abuse over and over again and the cost to rise upward and upward and the payments to go on for generations.

Now that I have drawn a comparison between a good piece of legislation and a great agreement that we have in the House today with some terrible legislation, Bill C–33 and Bill C–34 that the Liberals rammed through the House in June in order that they could break early and have a holiday over the summer and the minister of Indian affairs could go to the Yukon and proudly proclaim this agreement, I want to talk about Bill C–36 and why our party would support it.

Problems in this region of Manitoba began in the 1940s with the Lake Winnipeg regulation and the Churchill River diversion projects. These were huge hydroelectric projects initiated by Manitoba Hydro that flooded almost 12,000 acres of reserve

lands that were the occupied lands of the different Cree groups there. This represented about 10 per cent of reserve lands among five Indian bands.

In 1975 the Northern Flood Committee was established with representation of all five bands which of course included the Split Lake Cree band.

This committee was established to determine exactly how the bands affected by this hydroelectric project were to be compensated for the flooding of their lands and the negative impact that this had on aboriginal fishing, hunting, gathering and trapping, traditional activities in that part of the area among the Cree bands.

The work of the committee eventually lead to the creation of an economic development agreement and the Northern Flood Agreement known as the NFA in 1977. That was not a good agreement. The NFA was vague in its terms. It was very open–ended. It presented all sorts of opportunities for abuse of the compensation. It has cost the government well over $100 million because of the disastrous formulating of that agreement.

Bill C–36 is a result of the many serious problems that were experienced under the NFA between the bands, Manitoba Hydro, the Government of Manitoba and the Government of Canada, problems which began only a year after the signing of the NFA in 1978 and carried through to 1988.

In 1992 the Auditor General reviewed the operation of the NFA and found a huge number of problems. He found that the terms and conditions of the NFA were terribly unclear. This resulted over a period of time in a large number of arbitration applications being put forward by the signatories over the years.

• (1220)

Just after the NFA was signed the terms and conditions were so clouded that the Department of Indian Affairs and Northern Development requested an extensive legal analysis of its obligations under the agreement. DIAND was very worried about this agreement and the implications it would cause for compensation and for provisions down the road. It requested this huge legal analysis so it could get its position a little bit clearer.

This resulted in a 72 page report being produced in 1983 and later a 200 page report being produced in 1987 outlining DIAND's obligations under the NFA.

One really has to wonder whether the people who put this NFA together were asleep at the switch when it was signed and what the government was doing when it was being put together. In 1983 and 1987 the government had to go into this huge legal process to find out exactly what its obligations were under the NFA. One wonders who the negotiators were representing. It also brings into question their competence.

By way of example of the obligations of the government that were unclear, the NFA appears to be definitive when it states that Canada is responsible to supply drinking water to the bands. Manitoba Hydro was supposed to pick up 50 per cent of the cost of doing this. It just so happens that to date Canada has spent $88 million on this obligation to supply pure drinking water and Manitoba Hydro has not picked up one cent of this cost. We are talking about $44 million here.

When this bill was before the committee on aboriginal affairs we discovered that an arbitrator was still trying to determine if Manitoba is responsible to pay 50 per cent of Canada's cost of supplying drinking water to the five bands. We have the Northern Flood Agreement that is or appears to be very definitive that there was a 50 per cent cost sharing between Canada and Manitoba Hydro. It ends up that Canada has paid the whole shot up to now, $88 million. There is an arbitrator still trying to determine if Manitoba Hydro was responsible to pick up 50 per cent of the cost. It gives an idea how unclear in many areas the NFA was. It was actually a very bad agreement for Canada to be involved in.

This example I just gave on the drinking water clearly highlights the uncertainty which exists in the terms and conditions of the NFA. That is why it is such a good thing that we are able to break out of it and sign this particular agreement with the Split Lake Cree Nation.

The Auditor General determined that the NFA was designed to be implemented through a co–operative approach. Instead, he found that the NFA was being implemented through an adversarial approach. This adversarial condition was brought about by the cloudiness of the agreement and people thinking that they could take advantage of this. In fact, there was every opportunity for them to take advantage of it.

As a matter of fact, as of November 1991 signatories to the NFA had filed a total of 150 claims for arbitration. At that time there were 32 outstanding claims where Canada was either the respondent or the claimant. This adversarial process is frustrating to the bands, it is frustrating to the government and it is frustrating to Manitoba Hydro.

It is a process which of course is expensive to the taxpayer because the taxpayers end up paying the shot for the legal costs on this.

• (1225)

Because the parties are retaining legal counsel to battle their claim before an arbitrator, the Canadian taxpayer ends up picking up the tab for the federal government's lawyers, the Manitoba Hydro lawyers, the province of Manitoba and the bands involved, the signators on the native side of it.

I can clearly say that the taxpayer may never know the true cost of the Northern Flood Agreement. It is that bad and it is that expensive.

The Auditor General estimated that the NFA had cost the federal government $115 million and up between the time it was signed in 1977 and March 31, 1991. This was an agreement that was supposed to solve the problems. It created problems and it created a huge obligation to the Canadian taxpayers. However, the Auditor General said that this was strictly an estimate because in fact—I love this statement—the Department of

Indian Affairs and Northern Development had not captured the entire cost.

Within his recommendations in the 1992 report, the Auditor General stated that the Department of Indian Affairs and Northern Development must capture all NFA associated costs, a huge obligation for the taxpayers of Canada for this disaster of an agreement, the Northern Flood Agreement.

In all, the NFA was not clear in its terms and conditions and this led to various claims being filed for arbitration between the parties which would sign the agreement. This led to an expensive and certainly unworkable agreement.

In 1989 negotiations began between the parties to address the severe difficulties found within the Northern Flood Agreement. The negotiators were seeking band specific agreements. I think that was a good first step.

Bill C–36 is just such an agreement reached with the Split Lake Cree band. I want to say that as a participant in the committee process on this bill, I had the opportunity to talk with many members of the Split Lake Cree band. I was very encouraged by their determination to resolve this thing and get it so that there is some definite finality to this bill in order that the vague, grey areas of the NFA can be put aside. They can get on with life and make some definite plans for the future well–being of their community.

I commend the Split Lake Cree band for having the courage to break away from the Manitoba flood committee and negotiate this final settlement with Manitoba Hydro and the provincial and federal governments. They faced a lot of adverse criticism from the other four bands that were the original signatories for breaking away and wanting to get the thing done. I commend them for what they did. It was a very courageous act.

Apparently work is currently under way with the four remaining bands to try to draft similar agreements to this in the coming year.

There is again a lot of resistance to it because of the blank cheque opportunities in the NFA. It is incumbent on the government that it pursue coming up with agreements for those four remaining bands as quickly as possible. It is going to solve the problems in that area and it will save the Canadian taxpayers a huge amount of money and problems.

I am not going to be as long as the former speaker but I want to talk briefly about some of the really good things in this bill. Specifically under this agreement, the Split Lake Cree will receive about $47 million over five years. They will receive some 34,000 acres of new reserve land and some 2,800 acres of fee simple land.

This is good because they will know what their land reserve will be. They will have this money for economic development in setting up infrastructures within their communities and they will be able to put a business plan together.

• (1230)

It is interesting to note also that the settlement moneys will be transferred to a trust fund in the name of the Split Lake Cree. These funds will be administered by a trust company in order to guarantee accountability. This is going to ensure that the band has the utmost flexibility in determining where and how the money will be spent within its community. In speaking with the Split Lake Cree I believe it is going to be spent with due diligence and accountability.

The 2,800 acres of fee simple lands will be subject to property taxation. Any business originating from those lands is also taxable. I like that. We have a form of taxation that is going to help the economic base.

I am also pleased to note that this agreement was put to a referendum in the band. Individuals in the band voted 93 per cent in favour of the agreement. I like that as well because that is the democratic process. It is important to utilize such a mechanism in order to allow the input of the rank and file band members since this settlement agreement has a direct effect upon their lives and the lives of their children.

Further Bill C–36 was examined by the Standing Committee on Aboriginal Affairs and Northern Development, which examination ended on October 6. This bill was reported back to the House without amendment. It was a good piece of legislation. It is a good agreement. Committee members found that the bill sufficiently addresses the problems found within the northern flood agreement. Members hope that Bill C–36 will adequately settle the grievances arising out of the flooding of reserve lands.

The Reform Party supports the settling of legitimate Indian grievances. This indeed is a legitimate grievance. I know this new agreement will work a lot better than the NFA. I hope that similar settlement legislation relating to other affected bands will be forthcoming.

I have no hesitation and the Reform Party has no hesitation in supporting Bill C–36.

(Motion agreed to, bill read the third time and passed.)

* * *

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from October 27 consideration of the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read the second time and referred to a committee; of the amendment; and of the amendment to the amendment.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, for the interest of the House I would like to provide the reasons for bringing forward the subamendment that was presented yesterday.

The issues in the reorganization of this department are complex. We are seeing five ministries becoming one. It consolidates several subcabinet departments: the Secretary of State; the Department of Multiculturalism and Citizenship; the Department of Fitness and Amateur Sport; Parks Canada; components of Environment Canada; and the heritage component of the Department of Communications.

The government has talked a great deal about meeting its deficit target. I was really quite astounded to hear that this reorganization is going to save the huge figure of $7.3 million. Our debt today is over $536 billion. We have a deficit of $40 billion. Yet this reshuffling and this reorganization is going to save $7.3 million. Not a single person–year is lost; everybody has been reshuffled and moved off to other departments. Therefore I am not quite certain where the savings are.

• (1235)

The other side of the House, the government side, has often challenged the Reform Party MPs to come forward with some good ideas. We certainly want to ensure that the finance minister indeed does have access to this report by June 23, 1995 to help him with his short term deficit targets that he puts and that he wants to reach.

I also felt it was important to express one last time for the record and for Canadians generally exactly what we mean by special interest funding. This really is a ministry of special interest.

I have with me a number of items I would like to read into the record which come from a 703 page document listing all of the special interest funding that is available to Canadians today. It is important for us to look at these particular elements because they clearly describe special interests in Canada.

In the 1993–94 fiscal year $17,200 was given to something called "The Hidden Advantage". It was a series of round table discussions to be held in Vancouver, Toronto, Montreal, Calgary and Saskatoon on the relationship between diversity and international trade with a particular focus on the Pacific rim. Participants would include opinion leaders in the Asian Canadian community.

A staggering $85,000 was committed to the Canadian Advertising Foundation. It was for "Minorities in advertising; we are all Canadians". This is a communications outreach. It was for the dissemination of the findings of the research done by Goldfarb Consultants for the Race Relations Advisory Council on advertising and the provision of suggestions on how to include and portray visible minorities in advertising. Once again, $85,000 for that particular activity.

The 1993–94 program funding for the Canadian Council for Multicultural and Intercultural Education was $198,000. This was to provide program and project support for the following activities: operations of the national office, co–ordination of CCMIE activities, the board, executive, meetings, ECE and Race Relations Resource Advisory Committee workshops at the CCMIE national conference that is held every year. That was almost $200,000 to that group.

There is also the Clarke Institute of Psychiatry, Culture, Community and Health Studies. It received $5,000 for a national symposium titled "Models of Health Care in a Pluralistic Canada". It was a two and a half day national symposium on models of health care appropriate for a pluralistic Canada, whatever that means. It was held in Toronto and was for research workers, health care providers, health educators, public health agency staff, policymakers and consumers.

The Conference Board of Canada received $86,635 on "Dimensions of Diversity in Canadian Business". This was a two–year research and information dissemination project on the importance of diversity to Canadian economic prosperity, with a particular focus on managing and valuing diversity in the Canadian private sector.

There was $15,000 committed to the public service announcement campaign on violence in society and the development of a public service announcement, a PSA. This campaign was going to focus on violence in the community and the media.

The Ethnocultural Business Advisory Committee of metro Toronto received $20,000 for its small business week on ethnocultural business activities. This is a co–ordination of events to be held during small business week by eight Ethnocultural Business Advisory Committees across Canada. These events include trade shows, workshops, business awards and networking events. This is part of an annual national event for small business.

• (1240)

The next thing I want to bring into focus is the $40,000 that was given to the Municipality of Metropolitan Toronto Chief Administrative Officers department. It is for municipal procurement strategies and minority economic development. The municipal government will adjust its procedures for bidding on contracts to ensure they do not present barriers to minority owned businesses and it will train its managers on the implementation of those procedures.

Mr. Speaker, you will be pleased to hear that the National Association of Friendship Centres received $15,000 for phase three of its national race relations strategy. This project will develop resources and tools that will be used to train race relations workers from friendship centres across Canada.

The Steering Committee Forum for Central and Eastern European Canadians on Business Development in 1993 received $10,000. This was a forum for central and eastern European Canadians on business development. This two–day national forum was to be held in Toronto. It was on how the Ukrainians, German and Polish Canadian communities in Canada could utilize the business expertise within their respective communities to become more involved in business activity.

The next one I want to raise is on drama and education to foster understanding. Easin Productions received $10,000. This project will introduce students and community groups to race relations and cross–cultural issues through the medium of live theatre and workshops. There will be at least 174 presentations in schools and community groups.

I really wonder how unifying all of these different activities are in Canada today. We are seeing so many of these projects and workshops unfolding that highlight more and more of our differences. They are not bringing us together or unifying us on how we are the same.

The Black Educators Association of Nova Scotia received $34,442. This was for program funding to address educational concerns and deliver workshops in black communities to increase parental involvement in education issues.

The Dartmouth Police Department received $3,526 for a 14–week employment project for two visible minority students.

The Eye Level Gallery received $1,507 for workshops presented on key video works by a black artist and a cultural skill development workshop.

The International Education Centre received $34,160 to conduct a series of multicultural and race relations programs for teachers, education administrators, students and community groups.

The Parents for a Model School Committee of the St. Joseph A. McKay Home and School Association received $11,970. This was for a proposal for phase one of a model school project for this particular association. It was for the development of the infrastructure and support system for an anti–racism and anti–poverty project for an inner city school in Halifax.

Shelburne County Cultural Awareness Society received $25,645. This project is researching data and conducting an archaeological survey on a site of historic significance to the Nova Scotia black community which has been selected for a regional landfill.

In closing I want to state for the record once again that the reorganization of the Department of Canadian Heritage is really a ministry of special interests. The government is creating a new superministry of cultural identity that will legislatively entrench grants to feminist, multicultural, linguistic and environmental groups. I submit that it denies us an opportunity to define ourselves as Canadians.

**Mr. Reg Alcock (Winnipeg South, Lib.):** Mr. Speaker, I very much thank the previous speaker for taking the time to review some of those issues because they underline one of the things I want to talk about in addressing this reorganization. Frankly I am a little astounded that when reading through the list of grants the member did not understand what people were attempting to do. People in business and in government throughout the country from coast to coast have recognized that we in Canada have built something profound, wonderful and strong. It gives us strength internationally that no other country in the world has.

• (1245)

We have recognized that in our diversity there is strength. I as an English Canadian married to a Polish Ukrainian person can celebrate what we bring to the country. At a time of globalism, at a time when we are reaching out to the entire world, we can build upon those strengths.

Professor Neil McDonald who lives in my riding is renowned throughout North America as an expert on the question of diversity. He points out that at a time when we are reaching across the ocean, when we are reaching into other countries of the world to build markets and build relationships, we have in Canada a vast resource of people who can work with us.

What is the member concerned about? Is it a $17,000 grant to talk about diversity and international trade to help build our balance of payments and support exports in the country? That does not sound terribly subversive to me.

Let me respond to a couple of points the member highlighted. Referring to models of health care, at a time when we are working so hard to strengthen our health care system and are supporting research into some models of health care it strikes me as something we should be celebrating, not criticizing.

Turning to violence in society, is the member saying she is afraid to look at it or that the government should not be taking action on such a critical social issue?

Referring to drama and education to foster understanding for students, as members and as a government we have a role to educate people, to help people from all parts of the country to understand what the country is really about. By fostering understanding of other groups we reduce tensions and reduce some of the violence in communities. Is this what the party opposite is opposed to?

Then parents for a model school. I did not select these things. This is what the member read into the record as examples of abuse. We are funding parents to help them look at building a model school promoting anti–racism and anti–poverty. Is that

what the party opposite says it is opposed to? Frankly I am a little astounded.

I suspect the majority of the House supports the reorganization the government has begun. As we promised we have worked to reduce the size of cabinet, to streamline operations and to bring together like departments. We have had many debates in the House about a number of departments and the department of heritage is one which I support very strongly.

The proposed legislation combines sectors that share the following responsibilities: the promotion of Canadian identity, cultural development and heritage, and the maintenance of our national parks.

I want to describe in some detail the different sectors and how they relate to fostering Canadian values and Canadian identity. The sector of citizenship and Canadian identity promotes the use of official languages. I have heard much talk from members opposite about the evils of promoting official languages. They should stop and reflect upon what we have built in the country, how we have managed in very difficult times and with very extreme tensions by promoting understanding, acceptance, introduction and inclusion rather than rejection.

The federal government is the government of all Canadians. Therefore its policies must serve a diverse population of some 27 million people. Actually Statistics Canada says it will soon be 29 million.

The department believes that official bilingualism allows for services in the official language of the citizen's choice and reflects a simple commitment to understand and to be understood by the public in English or in French.

• (1250)

Lester B. Pearson put it very eloquently when he said:

> In a diverse federal state such as Canada, it is important that all citizens should have a fair and equal opportunity to participate in the national administration and to identify themselves with and feel at home in their own national capital.

In addition to official languages, the citizenship and Canadian identity sector is also responsible for the Multiculturalism Act. It is apparent that Canada's increasingly diverse population provides a unique resource base for the successful development and expansion of our economy.

This is something that multinationals have recognized. This is something that the business community in Canada has recognized. This is something that the Liberal government has recognized for several decades, and that is why we have built the multiculturalism process. It is passing strange to me that members opposite have not recognized this point.

A diverse society is one which ensures a continuous and dynamic interplay of better ideas and experiences which are essential for a growing, competitive, global economy. By working with various ethnocultural and mainstream organizations the Department of Canadian Heritage is effecting real change to make Canada a better place and the envy of every nation.

That is what we are. I really support and applaud the Secretary of State for Multiculturalism for the work she is doing as she goes across the country supporting and promoting diversity. In that diversity is our strength as a country.

Amateur sports and related events like the Canadian games also fall under this department. These events are an important part of how the department fosters a positive Canadian identity and pursues the values of excellence that Canadians hold true. The sector of cultural development is also an essential, integral part of the department. This sector develops policies and programs to promote artistic expression and the preservation of Canada's heritage.

The economic impact of the arts community on the Canadian economy cannot be understated. In 1992 the cultural sector accounted for 3.7 per cent of GDP, or roughly $22 billion. In addition the sector employed almost 500,000 people, a relatively large bang for the buck.

The Government of Canada recognizes the importance of Canada's cultural sector. That is why under the auspices of the Department of Canadian Heritage it rigorously promotes the interest of Canada's cultural community on the international scene.

Finally I would like to refer to the integral part the parks sector fills in the Department of Canadian Heritage. This sector fulfils national and international responsibilities in mandated areas of heritage recognition and conservation. Our rich natural and historic heritage incudes 36 national parks, 750 historic sites, 9 historic canals and 4 marine areas located throughout Canada. They include some of the gems of the world's heritage. Parks Canada commemorates, protects and presents these national treasures. Parks Canada ensures public understanding, appreciation and enjoyment of this heritage while at the same time ensures long term, ecological and commemorative integrity.

In short, what we are on about today is simply bringing together elements in government that speak to every person in the country and to the world about what we are as Canadians. We should all celebrate and enjoy the fruits of the work of the department. It is at the foundation of what makes us the best country in the world.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I will not speak for a long time on Bill C–53 because we have spent several hours dealing with the bill. We have proposed an amendment to the amendment calling for the committee to have a deadline to review the entire focus and purpose of the Department of Canadian Heritage.

I would like to respond to some of the comments made by the member for Winnipeg South in his response to my colleague, the member for Calgary Southeast. The member for Calgary Southeast was reading and referring to some grants made by the department under the banner of multiculturalism.

I share the concerns of the hon. member for Winnipeg South regarding racial discrimination, the importance of education and the importance of health.

• (1255)

I would like to remind the House that we have a justice department which should adequately be able to protect our citizens from discrimination and should be able to undertake any necessary action to guard the rights of all Canadian citizens.

We have a Department of Health that is supposed to be concerned with the health of Canadians. Why is the Department of Canadian Heritage, under the banner of multiculturalism, messing around with Canadian health issues? It does not make sense. What about education? Education is a provincial responsibility. The federal government has some responsibility for funding, particularly for higher education, but why is the Department of Canadian Heritage under the banner of multiculturalism offering grants regarding education programs?

It does not make sense. It costs a lot of money. What is the whole premise of the Department of Canadian Heritage, why it exists? Why do things like multiculturalism and Canada Council grants flow from that department or why do they need to be reviewed?

I state my case. I think I have the support of my colleague from Calgary Southeast in saying that we are not against the fundamental principles that Canadians support, but we are against the foolish administration from the federal perspective as it relates to those important elements Canadians so much enjoy.

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, I am very pleased to speak on second reading of Bill C–53, an act to establish the Department of Canadian Heritage.

The bill will give the new department a mandate to assume its rightful share of responsibility in administering the legislative responsibilities of the heritage department. As everyone in the House is aware, the new department came into being in 1993 with the amalgamation of several departments.

The legislation creates a department that will have responsibility in the areas of national parks, historic sites, cultural development, amateur sports, multiculturalism and official languages. All these areas were previously in five separate ministries and are now combined into one. That in itself is a very significant cost saving measure. All these areas have clear links to our identity as Canadians.

I found it very disconcerting yesterday to listen to every member of the Reform Party and how they spoke against Bill C–53. I did not hear one positive comment from that side of the House with regard to Canada's heritage. One after another they stood in their places in the House and spoke about each of the main aspects of the heritage department.

I would like to quote only one member. I am sorry the member for Kindersley—Lloydminster who just spoke had to leave. He mentioned what the new ministry was responsible for, as reported in yesterday's *Hansard*:

> —an unruly collection of agencies which has been lumped together arbitrarily. It truly is the ministry of lost souls, a ministry put together consisting of many irrelevant and outdated agencies with nowhere else to go.

Let me mention a couple of the so–called unruly irrelevant areas the member was talking about. He was talking about the Museum of Civilization, the Museum of Nature, the National Archives, the National Arts Centre, the National Battlefields Commission, the National Film Board, the National Gallery, the National Library, the Museum of Science and Technology, Parks Canada, Heritage Sites, and on and on.

If anything shows our Canadian identity, it is those particular national agencies that we happen to be very fortunate to have in the country.

The institutions I have mentioned are some of the cultural heritage institutions of Canada. Not that many years ago I chaired for several years in the region of Ottawa–Carleton the advisory committee on the arts. I would like to explain my connection between a local regional advisory committee on the arts and the heritage department. They are very different. One is huge and one is small.

• (1300 )

Their roles are the same, to retain the heritage of our country and to promote the language and the culture.

Without the help of a major department like the department of heritage or without the advisory committee on the arts which I just spoke of, one requires the assistance of municipal governments, regional governments, provincial and federal governments.

Without those four levels of government, culture would not survive in the country because of its size. Whether it is film, music, radio, television, archives, museums, our rivers, lakes and mountains, we as legislators have a responsibility to promote and protect.

Most of the Reform Party people come from the province of Alberta. I happened to be in Alberta two weeks ago and spent a week in the beautiful Banff resort area in the Banff National Park. What a jewel in the crown of Canada is the Banff National

Park with national funding going into that park. I am proud that all Canadians recognize the importance of not only this national park but many national parks in this country.

I mentioned the commemorative war memorial. Soldiers from every province in the country died in Europe during the wars. Have you ever gone to those cemeteries? Have you ever visited them? I did this past—

**The Acting Speaker (Mr. Kilger):** Order. I know that members feel very strongly about issues. It is the place of vigorous debate but I would call on each and every member to please direct their interventions through the Chair.

**Mrs. Gaffney:** Mr. Speaker, you get quite emotionally wound up in these things and you go off track every now and then.

There are gravesites of Canadian soldiers in Europe. Our tax dollars maintain those graveyards in France, Holland and Belgium. There is even a Canadian gravesite just over the border in Germany.

They are beautifully maintained. It makes us realize how lucky we are to be Canadians. Canadians died so that you and I can sit in the House of Commons, be free and be free to speak. It is part of our history and it is something that we must not lose.

Would we have a national orchestra or a national film library, and I could go on and on, without federal assistance? Of course not. They could not possibly operate without financial assistance from the federal government.

It is our responsibility to encourage artists, whether music, sports or whatever. They need to have the opportunity to develop their talents so that you and I and future generations have the opportunity to dwell on the importance to this nation of the contributions of those people who have gone before us.

In my riding of Nepean we have the Centrepointe Theatre which is a 1,000 seat theatre comparable in size to the National Arts Centre theatre. I look at the operation of that theatre. It is operated by volunteers.

The Centrepointe Theatre is not any different than any other organization. The National Arts Centre has volunteers, as does the National Museum. People in this country give their hearts and souls and their time to contribute to these institutions.

Has anyone been to Washington or a state capital recently? Do members know how Americans promote their heritage? It is front and centre every day of the week in school. They are constantly there with buildings and monuments to retain their heritage. I did not hear one positive statement from the Reform Party on heritage.

The government appreciates that there are some concerns about the decision to divide responsibility for broadcasting and telecommunications between Canadian Heritage and Industry Canada. The inclusion of telecommunications in the department's industry portfolio recognizes the increasing role of telecommunications.

On the other hand, broadcasting fits more closely with the identity of culture and the Canadian content mandate of the Canadian heritage. Canadians know that the government is committed to fiscal responsibility in all areas of federal endeavour. Bill C–53 is a prime example of that.

By putting these five ministries into one, we are looking at the bottom line. The Reform Party can take comfort in the knowledge that for the upcoming year the Canadian heritage portfolio is saving $76.1 million. That is a significant amount of money.

• (1305)

In addition to these actual savings of money there will be other longer term efficiencies realized through the regrouping of the areas of responsibility from various departments. Broadly speaking, the Canadian heritage minister will work for the betterment of our country in matters relating to Canadian identity and values, cultural development, heritage and areas of natural or historical significance to this nation.

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

**Some hon. members:** Question.

**The Acting Speaker (Mr. Kilger):** The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Kilger):** All those in favour of amendment to the amendment will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Pursuant to order made Thursday, October 27, 1994 the division stands deferred until Tuesday, November 1, 1994, at the expiry of the time provided for Government Orders.

## SOCIAL SECURITY PROGRAMS

The House resumed from October 20 consideration of the motion that Bill C–54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, be read the second time and referred to a committee; and of the amendment.

**Mr. Stan Keyes (Hamilton West, Lib.):** Mr. Speaker, I consider it a privilege to spend a few minutes discussing the provisions of Bill C–54 which deals with overpayment of old age security benefits and a time bar on the recovery of these overpayments.

This provision points out the challenges of administering our income security programs which comprise an extremely large enterprise, one which is vital to the well–being of more than six million Canadians.

To manage effectively a program that provides more than $20 billion a year to six million clients is challenging enough but the Government of Canada must also maintain the reputation of the income security programs as effective, efficient and equitable. After all the purpose of the old age security and other benefits is to help provide Canadians with a just reward for a lifetime of work and service to family, community and society.

The old age security program is designed to assist those whose retirement income is minimal or even non–existent. It is designed to contain elements that alleviate poverty among senior citizens. Inevitably with such an extremely large group of programs there will be anomalies. People may receive more than their entitlement. People may receive less than they are entitled to.

A vital part of administering these funds of such formidable size is to remedy abnormalities in a manner which is effective, equitable and, where appropriate, compassionate.

• (1310)

The Old Age Security Act contains restrictions which prohibit the recovery of substantial overpaid amounts and allow clients to retain unlawful gains. The act restricts the recovery of some overpayments aside from those arising from fraud or wilful misrepresentation. Collection can be made only for access moneys received in the current fiscal year plus the full previous fiscal year.

This is not the case with the Canada Pension Plan. It allows overpayments to be recovered regardless of the timeframe. The proposed amendment to the Old Age Security Act reads exactly this way: "Where a person has received or obtained a benefit payment to which the person is not entitled or a benefit payment in excess of the amount, the benefit payment to which the person is entitled, the amount of that benefit payment or the excess amount, as the case may be, constitutes a debt due to Her Majesty".

This provision amends the Old Age Security Act to remove timeframe restrictions for recovery of overpaid moneys including payments for guaranteed income security and spouse's allowance. The change will provide greater accountability to the taxpayer and allow equal treatment of clients of old age security and the Canada Pension Plan.

Under this change the minister will have the discretion to collect the entire amount overpaid to a client rather than a limited amount. However, in keeping with the policies and practices of the income security programs there would be no change to the existing authority to remit overpayments in various cases. These would include cases of hardship where administrative costs exceed the debt or where the debt cannot be collected within the foreseeable future.

Another new amendment incorporated in Bill C–54 will extend the minister's authority to remit overpayments where there was administrative error or erroneous advice. As a result of this amendment, recoveries of incorrectly paid funds are estimated to be approximately $1 million to $2 million every year.

I should mention that the time restriction has never applied in situations where charges of fraud were laid and proved but of course there are only a handful of cases of that type. Nevertheless, this amendment will enhance the ability of government to administer the old age security program in keeping with justice and equity.

No concerned Canadian wants to deny old age security benefits to a senior citizen who is deserving and in a difficult financial situation. Nothing in this proposed amendment will change that. The removal of this time restriction on recovery brings the old age security provisions into line with those of the Canada Pension Plan and the Unemployment Insurance Act.

Earlier in this debate the hon. member for Hochelaga—Maisonneuve commented that the government will collect debts incurred 15 years ago on the basis of erroneous advice from the department. This comment does not recognize the minister's ability expanded in this Bill C–54 to forgive overpayments incurred in such circumstances.

These amendments taken together will provide the minister with the flexibility to forgive overpayments where that is merited and to pursue the recovery of overpayments where that is merited. That is surely what is desired as opposed to the previous rules which were arbitrary and inconsistent with other government programs.

Where administrators have made errors, overpayments are to be forgiven. Where persons have made incorrect claims, overpayments are to be recovered. However, the government is determined to merit the reputation of the income security

programs as programs that respect both the taxpayer who provides these millions in benefits and the pensioner who deserves to be treated with sensitivity and dignity.

The old age security program is designed to help those who really need help. Through supplements, it is intended to help those senior citizens whose income is low. With more than six million people benefiting from all income security programs, there are bound to be anomalies.

I want to again stress that a vital part of administering these large sums of such formidable size is to remedy anomalies in a manner which is efficient, equitable and where appropriate compassionate. The amendment to remove time barriers to recover overpayments is an important provision and another reason why Bill C–54 merits the support of all members of this place.

• (1315)

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, I would like to congratulate my hon. colleague on his introduction to Bill C–54.

I too rise in support of Bill C–54 and I want to start by talking a little about some of the problems with how government in the past has managed pension programs in general. There are a lot of pension programs that exist in this country today.

We have to have a complete understanding. There really is not anything any more important than looking after our seniors today, for they cannot and will not get jobs as we are trying to get for our young people. They generally would not be retrained into our society. They are not going for extra education and these are the people really who deserve a secure retirement.

One of the members opposite is referring to himself. I think we will look after him too and I will talk a little about the MPs pension plan in a few minutes and we will see how well we will look after him in the future.

These are the people who really deserve a secure retirement because they have earned it through paying taxes and through paying into the CPP and so on. I guess we have to ask here whether the government and that other party from Jurassic Park have really looked after the welfare of senior citizens of the past. When we talk about changes to old age security, CPP and so on in the future we are going to have to get into looking at some new, constructive ideas because as most people in this country know money is becoming of short supply for those kinds of programs and they are going to have to be dealt with.

I have some difficulty in getting some confidence that this government will deal with these programs in a new, modern, constructive way. This is after all a traditional party of which we have one left in the House. Traditional ideas we thought were going to be gone in years past and for the future are ideas like the Senate. The better part of this country today is asking that we have elected senators, that they be effective and that we have equal representation in provinces. Yet this government still provides the patronage appointments to which most Canadians are opposed.

We talk time and time again about the MP pension plan. Virtually not a month goes by in this House when we do not complain about it. Yet no changes have been made. We are talking about tradition and how we get a government like this, a traditional party, to move ahead and make some constructive changes in CPP and old age security. We are running out of time on some of these programs and they really have to move ahead; laws and legislation like in the Young Offenders Act where the whole country really wants this traditional party here to move ahead with them and make tougher constructive changes. It has failed to do it time and time again.

What we have here I fear is another traditional party that is dealing with non–traditional problems like old age security and CPP which have to be changed.

Why would we expect this government to come up with new ideas? I guess maybe we do not and that is what we are here for. That is why we have come to this House, to try to infiltrate some changes throughout the system.

Old age security is what is called a non–contributory program. Individuals do not contribute to it. It comes from tax revenue. On one hand one might assume that we could cut that out because people had not contributed to it. That is not the fact. Over the years all the taxes paid into the government have been used in part to fund old age security which is good in measure. That will have to change somehow unless the government finds some revenue either by raising taxes, and we hope it does not do that, or cutting expenses and we know it is not doing that.

• (1320)

The Canada pension plan is the contributory portion of pension for Canadians where the employer and the employee contribute.

To address old age security and CPP and future changes we must look at how the government manages its current pension plans. We know what they are. They are the MP pension plan, the military pension plan, the civil service pension plan and the RCMP pension plan. There are a number of them. Those plans should be covered under the Pension Benefits Standards Act. This act sets standards for pension plans in this country on the financing and the fund management. It was introduced in 1967 and amended by the Conservatives in 1987. The plan has four very good standards which actually should apply to all pension plans.

The first one is that the employers must ensure that dollars are held in trust. This is very basic and necessary for any pension plan. A pension fund administrator shall be put in place managed by a board, an organization that is charge of the fund. The administrator must be responsible for appointing somebody for accountability and then the fund must be prudently invested. It

stands to reason that is the only way a good pension plan could be managed.

However, these standards that were in the standards act were intended to protect the interests of the plan members. Not surprising, however, Parliament exempted the federal government from these rules. Here we go with this kind of sanctimony. We will look after everybody else but ourselves. When this act came in and was modified in 1987, Parliament said that is okay for everybody else but we will not get involved in that portion, we will exempt ourselves from it. It did, with the military, civil service, RCMP and MP pension plans.

Consequently, there are problems with those plans. I am going to illustrate from these four plans what is wrong with the management and the ability to fund old age security and CPP.

The problem with that particular exemption is that total pension payments exceed the contributions. When you exempt yourself from these rules you start to go into the hole. You start into deficits. That we know is where we stand today. Today we have total liabilities for RCMP, military and civil service pension plans of $94 billion, unfunded. It is carried in an account on the books of the government as an SPA, I believe, a special purpose account. It is a liability. It is not funded in trust as the Pension Benefits Standards Act so directs everybody else to do.

We pay out about $6 billion to these three organizations, the military, civil service and RCMP. That comes directly from general revenues paid by the taxpayer.

**The Acting Speaker (Mr. Kilger):** I regret that at this stage in debate on this particular piece of legislation members are entitled to 10 minutes without questions or comments.

**Mr. White (Fraser Valley West):** Mr. Speaker, that is too bad. I just got warmed up. I have not even had an opportunity to tell the government what I think of it today. I only did that yesterday.

We have to work on old age security and CPP, make no mistake about it with this government, and RRSPs as well.

• (1325)

I am advising the government now to keep away from taxing RRSPs. It may be the one very good livelihood senior citizens have in this country. After 20 years of spending money carelessly by both Liberals and Conservatives there are very few dollars left in those pots to fund other pensions.

If that bank is broke, which it is, what has to happen here is that old age security and CPP must be the number one priority for funding. That means the government should attend to the Pension Benefits Standards Act, try to get these in trust and try to get them funded.

[*Translation*]

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

**Some hon. members:** Question.

**The Acting Speaker (Mr. Kilger):** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Pursuant to order made on Thursday, October 27, 1994, a recorded division on the proposed motion stands deferred until Tuesday, November 1, 1994, at the end of the period provided for Government Orders.

[*English*]

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. I think you will find unanimous consent to proceed immediately to private members' hour notwithstanding the couple of minutes left.

**The Acting Speaker (Mr. Kilger):** The House has heard the suggestion of the chief government whip. Is there unanimous consent to proceed to Private Members' Business?

**Some hon. members:** Agreed.

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## PRIVATE MEMBERS' BUSINESS

[*English*]

### RECALL ACT

The House resumed from June 14 consideration of the motion that Bill C–210, an act to provide for the recall of members of the House of Commons, be read the second time and referred to a committee.

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, it is indeed a pleasure for me to rise today and speak in support of Bill C–210, a bill introduced by my colleague from Beaver River.

To my mind this is one of the most important bills that we may be discussing in this Parliament because it is a very small but important step in restoring confidence in the system and restoring trust in politicians.

I am particularly pleased to rise and speak on this bill today because I recall it as being one of the major reasons why I joined the Reform Party in reading over its policies and positions on political reform and on freer votes, referenda, citizens' initiative, recall.

Back in 1990 when I first was exposed to those policies they rang very true with me. I said yes indeed that is what is wrong with this country of ours today. Politicians have lost touch with the people they are representing and the system is in great disrepute.

• (1330)

Recall is one part of political reform, but as I said earlier, it is a very important step in the direction to make politicians more accountable to the people who voted them into office. Referendums can encourage the common sense of the common people to be brought to bear on some of the major issues we are and will be facing in this 35th Parliament.

Canadians have lost faith in the system. They have lost trust in the politicians. The results of the last election in having 205 new members of Parliament elected to this House speaks very clearly to the feelings of the Canadian voters that there must be change. They are not happy with the status quo and we have to have some new directions.

Consider Meech Lake, followed by the Spicer commission, followed by the Charlottetown accord. During that period these things indicated very clearly that Canadians were saying: "We want change; we are not happy with the direction governments have been going in".

This applies particularly when I reflect on the Charlottetown accord. All major governments were supporting it; all of the major press were supporting it. However, the Canadian people saw through it and said: "No, this is not a good idea. This is not a good move". They rejected it. It was to the utter disbelief of the parties that the Canadian voters would stand up, see through the smoke–screen being presented to them and say: "No, this is not what we want. We have not had a voice in this process".

That was a turning point in Canadian politics and it was a turning point for the better. Politics in Canada will never be the same. The problem is that once credibility is lost, it is extremely difficult to get it back. Talk is not enough. It takes action. This bill is going to provide some action, a step in that direction. Changes must be made.

I recall when I was campaigning. The door to door experience I have described was frightening. At door after door I am sure other members as well as myself were being met with the same reaction: "I am absolutely fed up with what has been going on up there in Ottawa. Why should I believe you? You are here at the door telling me what you want me to believe, what you think I want to hear. But you will go to Ottawa and you will do exactly as you are told, just as has been going on for years. I am fed up with it".

I encountered that at door after door. That level of cynicism really was disturbing. In a way it reinforced my desire to get involved in the system and hopefully bring about the change needed to restore the level of confidence that has been so sadly lacking.

I am building a case for the mistrust and the cynicism that is out there with the voters. I want to read some quotes from the very famous red book because it has been played so often during this first sitting. There are those who would suggest that the red book should have started out with the phrase once upon a time, but it does contain the odd pearl of wisdom.

I would like to take this opportunity to quote some of them. They will reinforce exactly what I am saying today in support of recall. On page 91 under "Governing with Integrity":

> Canadians have always prided themselves on the quality of their democratic institutions. Yet after nine years of Conservative rule, cynicism about public institutions, governments, politicians, and the political process is at an all–time high. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.
>
> The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable. There is evidence today of considerable dissatisfaction with government and a steady erosion of confidence in the people and institutions of the public sector.
>
> This erosion of confidence seems to have many causes: some have to do with the behaviour of certain elected politicians, others with an arrogant style of political leadership. The people are irritated with governments that do not consult them, or that disregard their views, or that try to conduct key parts of public business behind closed doors.

• (1335 )

On page 92 under "Parliamentary Reform" it states:

> In the House of Commons, a Liberal government will give MPs a greater role in drafting legislation, through House of Commons committees. These committees will also be given greater influence over government expenditures. More free votes will be allowed in the House of Commons, and individual members of Parliament will be involved in an effective prebudget consultation process. We will establish mechanisms to permit parliamentary review of some senior order in council appointments.

A lot of talk so far but little in the way of action.

Let me now go to page 93 under the title "Perspectives". This quote that is in the red book was actually taken from the Public Policy Forum, 1993:

> Given the sustained and often angry criticism that has been widely expressed by the public in recent years, it is remarkable how little has been done by way of reform. Of all the grounds on which successive governments, together with MPs, could be charged with being unresponsive, none is more striking than the lack of response to unmistakable expressions of public dislike of the manner in which Parliament goes about its business. If Canadian parliamentarians are unwilling to effect changes, they must be prepared to accept a further loss of public regard. If, however, they are now ready to embrace reform, there are a number of avenues open to them.

The last quote is from page 93 of the red book. The source is the Royal Commission on Electoral Reform and Party Financing of 1992. It is entitled "Political Cynicism in Canada".

I will read out the quote and the percentage who agree with the statement: "I don't think that the government cares much what people like me think"; 72 per cent agreed with that statement. "Generally, those elected to Parliament soon lose touch with the people"; 79 per cent agreed with that statement. "Most candidates in federal elections make campaign promises they have no intention of fulfilling"; 82 per cent. "Most members of Parliament care deeply about the problems of ordinary people"; 62 per cent. "Most members of Parliament make a lot of money misusing public office"; 64 per cent.

The problems we have had with the Minister of Canadian Heritage this week illustrate there is a problem. Unfortunately, the government missed a great opportunity this week to show it meant to restore integrity and honesty to government. By not taking fast and appropriate action it has lost the credibility that is so heralded in its famous red book.

Let us get back to recall. Is there identified support for recall? There is a very definite yes in answer to that question. In October 1991 the province of British Columbia had a vote on whether to support recall and 81 per cent of the voters in that province responded in favour of recall. In the March 1994 Gallup poll 75 per cent of Canadians said yes to recall. In the province of Quebec 70 per cent supported recall. In the province of Ontario 78 per cent supported recall.

Let us go now to the question of party affiliation relative to the question of supporting recall. Liberal supporters, 76 per cent endorsed recall. BQ supporters, 76 per cent supported recall. Indeed, there is very strong support for recall.

In the first week of Parliament the need for recall was demonstrated by what happened in the riding of Markham—Whitchurch—Stouffville. The member was not good enough for the Liberal Party and was thrown out. The people in that riding now have no member or no way of getting at their member. Just this morning I presented another petition in the House with hundreds of names on it requesting that Parliament do something about this inability for constituents to get at a member who is not representing them.

I cannot understand this reluctance toward recall. I can only assume it is because members have not received the message that the voters want change. That has been demonstrated so clearly. They are still out of touch with voters. The people who pay our wages, our bosses, are telling us and demanding that change be made.

I spoke about the Spicer commission because it reinforces a lot of what I was saying. The final chapter in that report was not written by Mr. Spicer or any of his commissioners, but by one of the Canadians who was interviewed. What he said was: "No hyperbole or political hedge can screen any member of any legislature who thwarts the will of the people on this matter. The voters are watching and waiting". I think they are waiting for recall.

• (1340)

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I welcome this opportunity to speak in the debate on the proposed act to provide for the recall of members of the House of Commons. This bill is a good example of an idea that has its merits but does not quite make it. The purpose is to ensure that the member is worthy of the mandate he received from his constituents. The problem has been with us since the beginnings of the democratic system. We have seen this in the past in many countries, and though people have tried to find a solution, they have failed to come up with satisfactory answers. In countries where recall exists, it very seldom occurs, but there are also some outlandish situations.

If we consider the bill before the House today, I will explain why I said it does not quite make it. It is certainly not attractive in its present form because, among other things, it opens the door to all kinds of political intrigue. I will give an example. If this bill is passed, it would give more power to party organizations. Take for instance, a riding where a member was elected with less than 50 per cent of the vote, or the case of an independent member, like, for instance our colleague here in the House who represents the riding of Beauce. I am not saying that politicians might actually do this, but the parties might get together and decide to start a petition to challenge a seat held by an independent member, who would not have the same political clout as these parties, and a new election would be called, not to challenge the performance of the member but just to win another seat. And this may have important repercussions, one way or another.

What started out as a good intention expressed by the Reform Party could have unacceptable consequences like giving even more weight to the party machine at the expense of the member representing his or her riding. In addition, according to the current legal interpretation of the political party financing

legislation, if this act providing for the recall of members of the House of Commons went into effect, it would become an appalling form of lobbying for those who finance political parties, and who are not necessarily individuals. For example, companies, banks or unions on the other side of the fence could decide in a given situation to make a member lose his seat, not because of poor performance but because his ideas are different from theirs. In this regard, our legislation governing political party financing is not tight enough at the present time to allow us to put in place a concept such as the recall of members.

Another perverse element which is not in the legislation must be avoided, namely the systematic use of recall to remove members from the House. This bill provides that such petitions can be accepted 18 months after an election. Politicians could easily make systematic efforts to question the mandates of members from the other party, from the other side of the House, thus creating instability which is totally inconsistent with the goals and objectives of our parliamentary system. We cannot afford to transfer to a parliamentary system such as ours ideas which may have been successful in a different type of system but which would not have the same effect here. I think that these perverse effects must be avoided at all cost.

Something else to keep in mind is that we must not over–legislate, and in this regard I think that the Reform Party is contradicting itself. You do not solve a problem by passing a law and damming every little stream. In this Parliament, if the mandate of one or two individuals should be reconsidered because of something they did, I think that it is not necessary to pass a law that would have a major effect on the parliamentary system and the electoral system and unpredictable negative effects.

• (1345)

My colleague from the Reform Party just gave the example of Charlottetown. If we had had such a law when the Charlottetown Accord failed and all of Canada started to recall all the members who had spoken in favour of that horrible agreement, I feel that we would have had a constitutional crisis and an even more obvious parliamentary crisis, especially since about a year passed between the Charlottetown Accord and the next federal election, the same time it would have taken to come up with something to challenge the mandates of the people who had been elected.

So, this solution does not seem viable, in my view. It does not seem like an appropriate solution to the problem which may be created by a member of Parliament who does not properly fulfill his mandate. Other forms of representations can be made and actions can be taken by the constituents, without jeopardizing someone's mandate because of his ideas.

Let us not forget too that we sometimes have free votes on moral issues and on bills. Some pressure groups could conceivably resort to the recall process because of just one issue representing a very minor part of the work done by a member.

I also want to say a word on the short text—some 200 words—to justify the application for recall. We are in politics. We see the same reality from different perspectives. That text could take different forms and be subject to various interpretations, thus generating an instability which is not appropriate, considering that, in the next few years, Parliament will have to consider major constitutional changes.

It is because of the strength of our parliamentary institutions—and this must be recognized—that a party seeking a radical transformation of our country's political structure, can come here and express its views. We must ensure that this democratic process continues to exist. Indeed, that institution is still the best democratic tool available.

Let me mention a few issues which I consider more urgent regarding MPs' mandate. I already said it, but I will repeat it now: We must first ensure that we have a political party financing process act which is airtight. We must ensure that only individuals, and not corporate entities, can make contributions to a political party.

When you look at the list of the people who are presently contributing to the financing of political parties like the one currently in power or, in the past, the Conservative Party or any other party that is satisfied with following the letter of the law, you realize why their hands are tied in so many situations. You understand why, in the social program reform for example, government action is much more limited and softer than what the public expected. This is because this party's financial backers, if not handed control, at least exercise moral influence over it. When these backers are banks, unions, corporate bodies, the voters are not a priority and, in that sense, the intent of the Representation Act is distorted. Therefore, it appears to me that legislation to that effect is much more urgently required.

The second element on which I believe it appropriate to move very quickly is to make sure that when people are elected, they come here with a clear, well–defined mandate and that they respect it. In politics, people are always right in the end. We live in a society in which—the Conservative Party of Canada can attest to that—if political parties retreat in their ivory tower and forget about the people who brought them to power, they eventually pay dearly for it. In our political system, a four– to five–year term of office seems very reasonable.

Each one of us, the 205 new members, knows it to be true. If, after 18 months in office, we were asked to perform as efficiently as those who have been fortunate enough to be here for two, three or four years, it would render the system less efficient. Contrary to the Reform Party's objective, this would further diminish voter confidence in the institutions which represent them.

• (1350)

To conclude, I would say that what we have here is the age–old problem of democratic representation by delegation. It has been with us for a long time. The solution we are being offered is not the right one. I believe that we should give it some more thought. This bill should be dropped and instead we should start a reflection on a priority issue, the financing of political parties.

[*English*]

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, it is a pleasure to rise today to participate in the debate on Bill C–210 proposed by the member for Beaver River respecting the recall act.

In trying to find why we would need a bill such as this one in place in Canadian politics, I asked the Library of Parliament to do some research and give me examples of corruption and situations that may have been prevented if we had recall legislation like the one before us. I was amazed. My fax machine burned up for about a half hour with all the examples the library was sending me.

A December 30 article in the *Ottawa Citizen* refers to 18 members and ministers on the Liberal side of the House and on the Conservative side of the House who were implicated in such corruption. There was also more evidence in a June 28 article that reads: "Two PC MPs leave caucus pending probe, an RCMP investigation into the misuse of federal funds".

Another article that caught my eye states: "Prime Minister Kim Campbell has inherited the mandate of one of the most corrupt governments in Canadian history. Seldom have so many been caught doing so much for themselves".

These are examples of some of the things. I found it totally outrageous that the Canadian public has put up with nonsense like corruption charges against members, forged documents, shoplifting, kickback deals, ministers accepting $2.5 million in loans from a friend who just happened to be a government contractor, questionable land deals, lavish spending while on government trips abroad financed by the taxpayer and conflict of interest charges. The Canadian public demands more from elected representatives.

Recall is the power of the people to petition for the holding of an election on the recall, the removal of a member of Parliament. It was first used in the American Articles of Confederation of 1777 and recall currently exists in 15 American states. We hear criticism that if recall were in place we would have massive amounts of tie–ups in the process because of all the numbers that would be coming forward to the House.

From the best count I have been able to make of recall in the United States, I could only find seven state representatives, one state senator, two elected state cabinet officials and one governor. They are rather low figures and nothing to get too concerned about.

With accountability and open government high on the Canadian taxpayers' agenda, recall is direct popular participation in the administration of the law. No position should be considered too lofty or too dignified for this type of action. The position of a member of Parliament exists for and is financed by the people of Canada. The people should be able to remove any incumbent whose performance they consider unsatisfactory. The people should be able to remove any unsatisfactory MP or minister without turfing the whole governing party out of office.

One hon. member just mentioned a few minutes ago the red book. There are certain quotes in the red book that are pertinent to this. The red book on page 91 states:

> If government is to play a positive role in society, as it must, honesty and integrity in political institutions must be restored.
>
> This erosion of confidence seems to have many causes: some have to do with the behaviour of certain elected politicians, others with an arrogant style of political leadership.

• (1355 )

It would seem in principle that the Liberal Party is supportive of direct democracy in government.

Adopting recall is a way of introducing into the administration of the law the kind of democratic control that citizens' initiatives and referenda could bring to the making of law. Recall introduces a deterrent to and, as a last resort, a cure for arrogance, bias, corruption or incompetence among elected officials.

If the people had the power of recall we would not have an abusive MP pension plan. We would not have patronage. We would not have outrageous perks. We would not have an ear for special interest groups. We would not have cabinet ministers abusing their power as we have seen in the last couple of days.

If the people had the power through recall legislation we would have a higher public opinion of elected officials. We would have more accountability in government. We would have MPs representing their constituents instead of toeing the party line.

By passing Bill C–210 history will show that we did restore public confidence in government. To restore confidence in this place we must move toward a truly democratic system. We must be accountable in supporting Bill C–210 and introducing recall. Thereby we will establish the power of the people.

Let us examine the democratic option of recall and discuss its potential impact on the Canadian system of government and its electorate. Recall is a procedure that allows the voters to call their representatives to account before the end of their normal term, at a time of the voters choosing.

This has been criticized in some arenas but before the House affairs committee on September 7 there was testimony by Dr. Peter McCormick, a political scientist from the University of Lethbridge, as follows:

> I think we have to reject the argument that voters would be discarding representatives every second week, that there would be recalls going on endlessly and constantly. In a democracy it should not be necessary to belabour this point. If we can trust the electors to show some wisdom and some judgment in electing people in the first place, surely it is not unreasonable to say that they will exercise similar wisdom and judgment in how often and to what purpose they use recall. If we cannot trust them to use recall then it is not clear why we trusted them to do the electing in the first place.

The recall process outlined in Bill C–210 essentially involves three stages: an application for recall, a recall petition and finally a byelection. I do not want to spend too much time on the actual workings of the bill because I do not have that much time. However I would like to talk a bit about the safety valves that are included in the bill.

First, the Clerk of the House will not accept a recall petition until the grace period of 18 months has passed since the last election, which applies both to newly elected and re–elected MPs. In the case of newly elected members, they would have a reasonable chance to establish a record of representing and serving their constituents.

Second, a recall petition can only be made once in a constituency during the life of an elected Parliament. This would prevent an MP being repeatedly harassed by an organized special interest group.

Third, the petitioners' official agent must report all contributions and expenditures related to the group's recall campaign, including a list of all people who made financial donations, thus limiting the lobbyist factor.

Fourth, the safety valve is the time limit for collection of recall petition signatures. This ensures that the issue that triggered the petition remains alive and significant for the later stages of the process.

Fifth, as an added precaution Bill C–210 incorporates several clauses that would ensure the official agent is operating above board by instituting an offence punishable on a summary conviction.

In closing I quote the words of Edmund Burke in his 1774 speech to the electors of Bristol:

> It ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence and the most unreserved communication with his constituents.
>
> Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasure, his satisfaction, to theirs; and above all, ever and in all cases, to prefer their interests to his own.

• (1400)

I urge all the members of this place to support Bill C–210.

**Mrs. Diane Ablonczy (Calgary North, Ref.):** Mr. Speaker, it is a pleasure for me to stand in support of my colleague's bill today.

I want to say that I am very dismayed that none of the government members opposite has the courage to stand and talk about the concept of recall in this House.

As my colleague from Simcoe Centre has already stated, this is a measure that has very high support among the Canadian electorate. In other words, Canadians want us to be subject to recall. The members of this government will not even talk about it and that is a shame and not in the interests of Canadians.

Really the purpose of a recall mechanism is that Canadian democracy would benefit from the increased accountability of elected officials. Once again this week we have seen how very unaccountable elected representatives really are.

This government talks so loudly about integrity in government and how it was going to put a watchdog in place that would be accountable to Parliament. What has it done to provide for accountability of elected officials? What it has done is appoint a lapdog that is answerable only to the Prime Minister and is now being used as kind of a Delphic oracle when the Prime Minister needs some words of wisdom from a deep source to justify his actions.

Canadians are not satisfied with the level of accountability that their elected officials have. It needs to be corrected.

This idea of holding elected representatives accountable by some recall mechanism is certainly not something that has just been dreamed up by a few strange people in this country. The whole concept originated in ancient Athens which was the birthplace of democracy.

**Ms. Catterall:** Mr. Speaker, I rise on a point of order. I want to draw to your attention and to the attention of the House that the member speaking has commented on the participation of the government in this debate, suggesting it is some kind of cowardice that prevents us from speaking on this bill.

In this hour of debate we have chosen to leave the debate to the Reform Party hoping that it will display through it speeches how foolish an idea this is.

**The Acting Speaker (Mr. Kilger):** Order. With the greatest of respect I do not believe at this point that we have a point of order.

I was attentive to the remarks of the hon. member with regard to the issue raised by the government deputy whip but I conclude that there is no point of order and I ask the member for Calgary North to resume her intervention.

I do not know that there was a point of order. It is a matter of debate. At this point the floor has been granted to the hon. member for Calgary North.

**Mrs. Ablonczy:** Mr. Speaker, I hope that the government will engage in debate on this issue as time goes on.

In the birthplace of democracy in Athens, the accountability of elected officials was through a process of recall which was by way of ostracizing wayward politicians. Wayward politicians were ostracized and not allowed to participate in public life and they were also sometimes exiled from the country.

I think a lot of Canadians would feel that we should go right back to original democratic principles sometimes.

Also recall has been a facet of the Swiss system since before its formal adoption in the 19th century. In the 19th century recall was by another name.

• (1405)

It was known as the imperative mandate. It is a device whereby elected officials can be subjected at any time to the review of the people who put them in office and I would suggest that this makes eminent sense in light of what democracy really is.

I remind Canadians again that democracy is rule by the people. We are simply the representatives of the people here in this Chamber. We are here because they have chosen us, given us the honour and the responsibility to represent their concerns, their wishes and their interests and carry them out on their behalf.

A lot of times Canadians feel that once elected, representatives simply disconnect from the people who put them in place, pay the bills and whose future is affected by their decisions.

I would also point out that recall is truly democratic because citizens can only recall their own representative, not someone else's. It is the people who put a representative in place, who have the wisdom to elect that representative in the first place, who should be able to have the say as to whether that representative continues in the position where the electors have put them.

I want to point out to members of this House that every other Canadian is subject to recall. If you are in a job or a position and you do not do it properly you will be booted out. You will be replaced. You will be given a pink slip. Yet somehow 295 Canadians who have a very important job, a very critical job, a job on which hangs the future and the well–being of thousands and thousands of Canadians, feel that somehow they should not be subject to the same type of representation and accountability and recall as every other Canadian. This simply does not make sense and it should be rectified.

People are cynical and disrespectful of politicians because they do not open themselves up to this evaluation. It is an axiom that if you want trust from others you must trust them in response. We hear this all the time when we are counselled about dealing with our children, dealing with staff in management situations and in all facets of human relationships. Mutual trust is so important.

Yet it appears that members of this House are not prepared to entrust their future and evaluation of their performance and of the adequacy of what they are doing to the Canadian public. This does not make sense and we need to re–examine our belief in the common sense of the people who elected us in the first place.

When we asked the Prime Minister of this present government about his support for the concept of recall his response was that Canadians have the ability to recall their representative in an election.

Canadians know well that a general election is not the most effective time for a performance review because that is the time when so many issues are at stake with not only individual representatives but really the party and the leadership. Other kinds of programs and policies are on the table. A performance review is such a very small part of all of the factors that electors have to weigh at the time of an election that it is not fair to say that is the definitive moment when electors should be deciding whether a particular candidate is satisfactory.

MP recall, I believe, would dramatically change the sensitivity of MPs to issues by shifting the balance from parties to people and that is where it really belongs. If a backbench MP could say to the government whip and to the front benches "I am sorry, I would like to support this measure. I know you are telling me to but if I do I am going to get turfed out back home because this is simply not supported by the people I represent", think of how much healthier it would be and how much more meaningful real legislation would be if it had to have the real support of the people we speak for and vote for.

That would be one of the healthiest changes we could bring to do something to really address the issues of the country in a meaningful way, in a way that meets with the approval of the people we represent.

• (1410)

There are so many reasons why we need to have the courage and the faith in the Canadian public to bring forward these direct democracy measures that I urge this House to reconsider, especially members on the other side, their resistance to moving in this direction and to support my colleague's bill on recall of representatives.

**Ms. Marlene Catterall (Ottawa West, Lib.):** Mr. Speaker, I accept your ruling on the point of order. However inadvertently I do believe that the member who just spoke has provided some incorrect information to the House and I do want to put on record a correction in the context of speaking on the motion of the member for Beaver River.

The member has suggested that Liberal members of Parliament are somehow avoiding this debate. To this point an equal number of Liberal and Reform Party members have spoken in this debate. It is an ongoing debate. It is not just this particular hour. Four Liberal members of Parliament spoke on the issue and four Reform members of Parliament spoke on the issue.

I think that indicates clearly our interest in this debate. Nonetheless, this issue of a recall is a matter of Reform Party policy and so today we did feel that we wanted to leave the floor to the members of the Reform Party to explain their policy to Canadians.

However, having been challenged to enter the debate I am not going to by any means give up that opportunity.

I have spoken on this issue before in this House but I am pleased to do so again if the Reform Party members do not wish to use the full–time we wanted to accord them the courtesy of.

I have compared this legislation to a kind of instantaneous divorce and suggested that when I chose a spouse and I think when most people choose a spouse they do so very carefully and with great forethought, and they make a long term commitment to that relationship. Because it is a long term commitment, they tend to choose very carefully and take their choice very seriously and recognize that there will be in any relationship, a marriage or an elected representative, some good times and some bad times.

As I said at that time, I am sure that in 33 years there have been many times when had instant divorce been available either my husband or I would have taken advantage of it. Looking back on 33 years we will conclude that all in all the good times outweighed the bad and we are glad we stuck with it.

Participatory democracy is more than paying a buck to pick up the phone and register your opinion without the responsibility to engage in dialogue with others who perhaps have different opinions, or to consider other interests involved in the opinion you are expressing.

It is very easy to selfishly say "this is my opinion". It is not so easy to say "I have an opinion but I also want to know what the impact of that opinion is on other people. I want the opportunity to engage in dialogue with them about the pros and cons and the effects this will have on our society as a whole and, the bottom line, what is good for the country".

Members express a lot of concern about special interest groups. Frankly, one of my concerns about this legislation is that it does very much put members of Parliament at the mercy of very special interest groups that have both the social standing and the economic means to organize to unseat a member of Parliament because they do not like a decision that member of Parliament made. This has happened in many jurisdictions around the world. Sometimes that special interest group is the military which manages to unseat a whole government with disastrous results for its society.

• (1415)

Recall in fact has the potential to produce a very selfish citizenry who look at every vote from the point of view of what is in their interest and whether the member is serving their interest. It is not: Is this member serving the interests of the community or the country at large? Is this member sensitive to interests that are not his or her own? Are they concerned not only about today but about tomorrow and the next generation? That is what we are here for. It is not to please people in the very short term. We are here to try and listen to our constituents and do what is best for them, for our country and for all citizens.

This government has taken significant measures to ensure that in fact democracy is not simply a question of what happens at the ballot box and then go away and forget your constituents and they forget you. We have done our best to introduce ongoing participation in the democratic process.

I want to say one final word about caucus. I do not know how the Reform Party caucus operates. I do know that every Wednesday morning we in the government caucus have the opportunity to freely and openly express our point of view to our Prime Minister and to one another. Together we resolve those differences of opinion we have. When we come in here we do what we believe is in the interests of the country.

Finally, we made a commitment as a government. We made numerous commitments to the country during an election campaign. We want to be able to keep those commitments. We are working at that day in and day out. We need to have some solidarity of caucus to do that because that is what Canadians expect of us.

Let me just return to my main point in rising today. In the first hour of debate on this bill on April 29, 1994 there were four Liberal speakers and one Reform speaker. There have only been three Reform speakers today.

**Miss Grey:** Mr. Speaker, on a point of order, I would like to clarify a lot. First of all I would like to just say that this bill was debated in February, not April. February was the beginning of this debate—

**The Acting Speaker (Mr. Kilger):** Order, order. If the member has a point of order relating to another matter of which she has given an indication, would she please get to that matter quickly.

**Miss Grey:** Mr. Speaker, I would like to ask to speak briefly under the right of reply under Standing Order 44(2). I believe we have time as we go to about 28 minutes after the hour.

**The Acting Speaker (Mr. Kilger):** Let me just see if I can be helpful. The debate when it began earlier this day had 45 minutes left on it. Now the request from the member for Beaver River is under a standing order concerning which is commonly referred to as right of reply. Where a member of the House moves a substantive motion the House of course recognizes that that person under right of reply is the last one to speak on the debate which closes the debate.

I believe the hon. member for Beaver River is asking the House for unanimous consent to have, I will arbitrarily select a figure, two minutes to close the debate and then I must put the question.

Is there unanimous consent to allow the member for Beaver River who moved the motion to close the debate?

**Ms. Catterall:** Yes, Mr. Speaker, then the debate closes without unanimous consent?

**The Acting Speaker (Mr. Kilger):** Yes, the debate will close two minutes from the time the member for Beaver River begins to speak and I will put the question forthwith. Is that agreed?

**Some hon. members:** Agreed.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, I would like to just close off this debate by saying how much I appreciate members who have spoken in favour of this bill. The member for Ottawa West called it a foolish idea when she rose in her place. They may think it is a foolish idea but I am here to say that the Canadian public, even Liberals who have been polled across the country, hardly think this is a foolish idea.

What the Canadian public thinks is foolish are the people in this Chamber who are completely immune to job security, completely immune to being put forward to somebody who would say: "You are not doing your job, you are not acting responsibly".

The member for Ottawa West spoke about good times and bad times in a marriage. She likened this bill to an instant divorce. Nothing could be further from the truth. There are many provisions in this bill to be safeguards for that.

This is something that is going to carry on over a period of days, weeks, even months. A person who has been a member of Parliament for 18 months has had a chance to prove themselves. That is hardly an instant divorce.

This bill calls for 50 per cent plus 1 of the number of voters who voted in the last election. That is not something that can be obtained instantly to call for this instant divorce.

I will wrap up my comments by saying how sad I find it that people on the government side refer to this whole thing as just something that is foolish, that they have spoken about it more than we have. May I draw the House's attention to the fact that the Liberals said today they have no more speakers on this. The member got up without knowing her facts about the bill, making comments about it.

I would urge this government to support—

**The Acting Speaker (Mr. Kilger):** Order. Pursuant to Standing Order 93, the time provided for debate has expired.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Pursuant to order made Thursday, October 27, 1994, the division stands deferred until Tuesday, November 1, 1994, at the expiry of the time provided for Government Orders.

This House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 2.22 p.m.)

# HOUSE OF COMMONS

**Monday, October 31, 1994**

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

[*English*]

### IMMIGRATION ACT

The House resumed from October 24 consideration of the motion.

**Mr. Sarkis Assadourian (Don Valley North, Lib.):** Mr. Speaker, I assumed from reading the motion that my hon. colleague wants to stop immigrants from coming into Canada when they test positive for HIV.

Today, the way the laws of the land stand, we have testing for all kinds of viruses and the medical doctors decide who gets in. I do not think we in the House have outlined the facts as to how much it costs in each and every situation. Who can decide who can come in and who cannot? It could be tomorrow that the HIV test or the medication will cost $10,000. Some might argue that is too much. Even a cost of $5,000 some could argue is too much. Where do we draw the line on how much is effective?

• (1105)

For that purpose the government has a law already in place so medical officers can decide who can be and who cannot be admitted to Canada on medical grounds. Also the government is reviewing the extensive information it has on HIV and will announce a decision soon about HIV cases in Canada.

Our policies have to reflect the social structures, health systems and justice system we have in Canada. Otherwise it will be disastrous for us and it will be one sided. We cannot afford to have that. Misinformation and misunderstandings about HIV are very dangerous elements that we face today. I hope in the near future the government completes its investigation and studies and comes up with a policy that will satisfy the concerns of everyone in the House and of the population at large. We take care of our own citizens first and we are compassionate enough to allow others to come into the country.

The best hope we have is to come up with a solution for HIV. I think that would make everyone happy. I suggest we keep things as they are for the time being and allow the system to work. We need medical discoveries, medical approaches and information so that we can make wise decisions on the issue. Otherwise there is nothing stopping us from coming up with a motion next week that says anybody who has cancer should not be allowed in because cancer costs too much to treat. Just about every disease in the world costs money to treat.

Where do we draw the line? Where do we start and where do we end? Since we do not know that, I am unable to make a decision on who should be admitted and who should not. On that basis I oppose the motion and wait for the government to come up with a solution after researching the matter carefully and checking the track record of the last five years so we know the expenses we are talking about for HIV.

[*Translation*]

**Mr. Michel Daviault (Ahuntsic, BQ):** Mr. Speaker, it is a pleasure to speak to the motion tabled in the House on September 23 by the hon. member for Calgary Northeast. This motion, which clearly targets prospective immigrants who are HIV positive, is, by the same token, discriminatory.

To argue that their admission would put an excessive burden on our health care system is very one–sided, since that is certainly not the case. The motion discriminates particularly against people claiming refugee status, since it would make them inadmissible even before their case is heard by the Immigration and Refugee Board.

This motion should therefore be interpreted as barring immigrants, certain classes of visitors and persons claiming refugee status from entry into Canada.

Detection of the virus in these people would make them inadmissible and, as a result, prohibit them from proceeding with their visit to Canada, from immigrating to Canada, and from claiming refugee status.

Today, the Canadian government intends to take advantage of its statutory review of immigration policy. In an article published in *La Presse* on April 26, 1994, the Minister of Immigration and Citizenship was already setting the parameters for this review. He said the government was looking at the list of diseases for which testing is compulsory, to decide whether the list should also include HIV.

Under the current Immigration Act, individuals who wish to immigrate to Canada are subject to admission criteria that do not discriminate in any way that is incompatible with the Canadian Charter of Rights and Freedoms. Tests are currently carried out on a routine basis and are compulsory for a number of diseases, including tuberculosis and syphilis.

The minister went on to say that screening for HIV was not on the list. However, Canada could deny entry to individuals who were HIV positive and who had AIDS.

If a physician suspects that an immigrant is HIV positive or has AIDS, a screening test is done. At the present time, if the applicant is HIV positive, the application is automatically rejected.

• (1110)

In a study by the Library of Parliament, Law and Government Division, we read that in a study on admissibility finished in 1992, it was recommended that the whole issue of routine testing for communicable and other diseases that are a burden on the health care system be reviewed.

But, for the time being, there is no indication, as my colleague from Drummond said, that universal HIV screening would save more money than targeting other diseases. Furthermore, according to a study conducted by the McGill Centre for Medicine, Ethics and Law, the economical impact of HIV infection among immigrants is similar to the impact of coronary diseases. Finally, researchers at the McGill Centre believe that mandatory AIDS testing for immigrants would be purely arbitrary.

That is why I endorse the position of our party which asks the government to create a committee that would review phase II of the Canadian strategy on the fight against AIDS. This position differs considerably from an outright fight against the admissibility of immigrants. Let me remind the House of some of the criteria we use to determine medical admissibility; these criteria are given in section 22 of the regulations related to the present legislation.

"For the purpose of determining whether any person is...a danger to public health or to public safety...or might cause excessive demands on health or social services, the following factors shall be considered by a medical officer in relation to the nature, severity or probable duration of any disease, disorder, disability or other health impairment from which the person is suffering, namely: any reports made by a medical practitioner with respect to the person; the degree to which the disease, disorder, disability or other impairment may be communicated to other persons; whether sudden incapacity or unpredictable or unusual behaviour may create a danger to public safety; whether the supply of health...services that the person may require in Canada is limited to such an extent that: the use of such services by the person might reasonably be expected to prevent or delay provision of those services to Canadian citizens or permanent residents, or the use of such services may not be available or accessible to the person; whether medical care or hospitalization is required; whether potential employability or productivity is affected; and whether prompt and effective medical treatment can be provided".

In 1993, 54 persons were refused for that reason. Therefore, as written, the present legislation contains all the provisions required to admit or refuse any applicant for visitor, immigrant or refugee status. I believe that this motion is, for the moment, premature to say the least. Moreover, it opens the door to discrimination towards would–be immigrants by reinforcing insidiously prejudices against them.

This motion would also be in violation of the Canadian Human Rights Act, a legislation which is the basis for several federal and provincial commissions on human rights. Several decisions and judgments confirming discrimination have been passed by these commissions under Canadian legislation on human rights.

That study summarizes the position of the commissions: "Discrimination against HIV or AIDS infected individuals is a proscribed ground of discrimination because it is based on a deficiency or handicap as defined by human rights legislation". However, for refugee claimants who must submit to a medical examination within 60 days of their arrival in Canada, the minister recognizes that the question is sensitive. "On the one hand there are medical considerations and on the other the real fear of persecution".

As my colleague from Calgary Northeast was saying in this House, on September 23: "The risk of admitting immigrants with HIV who likely do not even know that they are infected is one we cannot tolerate". These are alarmist words, although I recognize the seriousness of the situation and the pandemic character of the disease. However, are we going to systematically screen for AIDS all Canadians coming home from a trip abroad on the off chance that they might not know that they have been infected by the virus? Why then specifically target visitors, immigrants and convention refugee status claimants?

Since this terrible disease is a global health problem, how else can we stop anyone, be it healthy Canadians or healthy immigrants, from contracting a HIV–related disease, if not through an efficient national awareness and prevention policy? The solution does not lie in screening only, but mostly in a vigorous awareness and prevention campaign. This disease is not circumscribed to immigrants.

• (1115)

The way this disease is spreading, healthy landed immigrants and permanent residents may get infected by the HIV virus even in Canada.

Compulsory screening for visitors, immigrants and refugee status claimants is neither a cure nor a way to slow down the spread of the disease.

In fact, routine screening is a dubious argument which raises several questions regarding the Reform Party's position on the Immigration Act.

On October 25, the Reform member for Calgary Northeast said in this House, and I quote: "—today the *Financial Post* reported on a memo from the government's finance department which concluded that this government's immigration policies are worsening the unemployment crisis.

Is the Minister of Immigration going to act on the finance minister's conclusions or on those of the Reform member and drastically reduce immigration levels?"

The real aim of this motion is a drastic reduction in immigration levels.

As my Liberal colleague from Thunder Bay—Atikokan did before me, I want to say again that the danger of HIV infection does not come from foreigners but rather from specific practices such as sharing drug needles, unprotected sex, transfusions involving tainted blood, and not mere physical contact.

This is why the Canadian Haemophilia Society, the Red Cross, the European Parliament, and the British Medical Association all believe that visitors are not a public health threat.

Therefore, I will vote against this motion.

[*English*]

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, it is my pleasure to rise in this House today and speak in support of Motion No. 285, a motion that the government test all immigrants to Canada for HIV positive status.

Like many of the private members' motions to come before this House, Motion No. 285 is another example of common sense. It is a simple and direct motion designed to change the way the immigration department conducts its business. It should not be necessary for this House to move such common sense procedure but this Liberal government and this minister of immigration have once again refused to put the cares and concerns of ordinary Canadians ahead of political correctness in pandering to special interest groups.

There are health implications for Canadians if we let people into this country with the disease. AIDS is communicable. AIDS is also fatal and there are no proven treatments or cures. Once you have it, unfortunately your days are numbered. We needlessly put at risk other Canadians who may contract the disease.

We know of many ways that can happen. The disease can be passed on sexually or through blood or bodily fluids. When I visit my dentist now, he and all his staff wear latex gloves. They do not do this because some health regulation forces them to; they wear their gloves as a preventive measure. They do not want to take the risk, however small, of coming into contact with a fatal disease. Why would we as a government take the risk, however small, of exposing Canadians to the potential for receiving AIDS from an immigrant?

Why there is refusal to do mandatory testing of all immigrants for AIDS or HIV is beyond me. We have a specific section in our Immigration Act which states: "No person shall be granted entry who is suffering from disease, disorder, or disability which will likely be a danger to public health or which would cause excessive demands on health or social services". This section is there for the protection of Canadian society.

Every member in this House will agree that immigration should be a benefit to Canada and not a threat to public health or indeed the economy. Clearly the potential threat to both health and finances from AIDS carriers entering our country is cause for alarm.

In the debate on this motion so far we have not heard one rational argument about why HIV testing should not be done on all immigrants. The member for St. Denis stated: "Even if they test HIV positive they can continue contributing to Canadian society for many years". It is the refusal of some to admit the obvious that angers so many Canadians. It is totally unacceptable and a contravention of the law to allow HIV positive immigrants into Canada.

The member for Thunder Bay—Atikokan believes that "it would be inappropriate to institute a blanket exclusion of persons with HIV". He quotes the Human Rights Commission and states that "such a practice would be discriminatory".

HIV is not a discriminatory disease. It will kill anyone it comes in contact with. I support the right of Canadian citizens over the right of non–citizens to be free from discrimination.

• (1120)

Saturday's *Globe and Mail* reported that the immigration minister is going to propose a tightening up of the immigration system including fewer family class immigrants and a move to allowing in those with better language skills and job skills so that the financial burden on our social programs will be reduced. These are moves in the right direction. The immigration minister should be congratulated for this reform, and I emphasize reform.

However, the job is not finished yet. The immigrants to Canada who have more applicable job skills and speak English or French but also have AIDS will not be net contributors at all. They will be a burden on our welfare and health care systems and their presence increases the potential for others to be infected. As a guardian of the public purse I believe it is my duty to examine the costs involved in both the government's stated course of action and the measures proposed by this bill.

The government avoids performing a $12, I will emphasize $12, test for AIDS on every immigrant who comes into Canada, not the proposed $10,000 as was alluded to earlier by a member from the other side but $12. With the current level of 250,000 immigrants a year that is a saving of three million tax dollars. What are the costs of failing to perform such a test? The average health cost of caring for one person with AIDS is $250,000. If there are absolutely no immigrants coming to Canada with AIDS then indeed we have saved ourselves $3 million.

However we have no idea how many immigrants are coming into Canada with AIDS. What if there are a mere 20 a year reaching our land with this fatal disease? The cost of caring for these 20 would be $5 million. If the number is 200, the cost is $50 million. Is it not worth $3 million to conduct this basic test?

The Reform Party promised to be a constructive alternative in Parliament and offer solutions to the overspending problems of government. I do not believe we need to allocate new resources to this important task. We can point out some current expenditures that could be reallocated for the purposes of conducting mandatory testing.

The federal Ministry of Health devotes an incredible amount of its resources toward the goal of AIDS prevention and elimination. The department spends over $40 million a year on such programs. Less than half of this money is spent on actual research to develop treatments or vaccines. Most of this funding goes toward yet another government bureaucracy, the Canadian AIDS Secretariat, and special interest groups.

I would like to give some examples of the kind of nonsense that tax dollars have recently been frittered away on. There was the $35,000 spent on a centrefold in a homosexual magazine on the impact of AIDS. There was another $35,000 for a six month project called "The Puppets Against AIDS Tour". A group in New Brunswick received $128,000 to work for the empowerment of people with AIDS.

What is the net benefit to Canadians of this type of funding? What did the empowering do for the health problem? Does it bring us closer to a cure? Who does it really educate? Would this money not be better spent on AIDS testing for immigrants?

The goal of any public health campaign is clear: prevention of disease. One way to prevent the spread of disease in Canada is to eliminate new sources of the disease.

We have a dilemma on our hands. On the one hand the Liberal government has a policy in the department of health to prevent the transmission of AIDS and it spends big dollars doing it. On the other hand the immigration department has a policy which allows into Canada an unknown number of AIDS carriers. This is not the only area of Liberal government policy where we can see a contradiction.

The ministry of agriculture has looked at this type of issue already. We have all read about mad cow disease in Britain, a fatal disorder that attacks the nervous system of cattle. Our Agriculture Canada people have put down all the cattle imported into Canada from Britain since the time of the outbreak in 1986. The reason for this is simple. The disease can be passed on to other animals. We decided the risk of this happening, however small, was not worth the few cattle that were put down. It would seem that when it comes to the potential to contact fatal disease this Liberal government places the value of Canadian farm animals higher than it does that of Canadian citizens.

I want to point out one final example of contradiction in public health policy. We recently witnessed Health Canada officials at airports across Canada examining flights arriving from India, a country recently experiencing an outbreak of pneumonic plague. Much care and attention was focused on prevention by screening our borders. Pneumonic plague is easily treatable and poses no serious health threat to Canada. Yet much was done to deal with the situation. Why the same attention is not paid to detecting AIDS, a far more deadly disease, at our borders is just ridiculous.

• (1125)

The time for action is now. We must deal with this problem before more lives are put at risk or taxpayers' dollars are thrown away. AIDS testing of immigrants is just plain common sense. Let us do it by supporting Motion No. 285.

**Mr. Reg Alcock (Winnipeg South, Lib.):** Mr. Speaker, I want to take the time I have available to talk about something which has been causing me increasing concern as I have listened to the debates that have been proffered by members of the Reform Party.

We heard Reform Party members talk over and over again about the need to represent the interests of what they call real Canadians or ordinary Canadians, how they as members of Parliament have a duty and a responsibility to assess opinion from their constituents and to bring that forward to public view and discuss those issues that are important to the people they

represent. I agree with that. That is a fundamental role each and every one of us has when we get elected and come to this House.

We have a second role. We sit in a very privileged position. We sit in the middle of an information flow and have access to resources, information and knowledge that few Canadians have. That imposes a burden upon us, a responsibility to educate and not to simply pander to those things that are of momentary or immediate concern. We must evaluate issues. We must examine them. We must research them. We must come forward to this Chamber with debates and arguments that are based on fact and some sort of presentation of a solution that will improve the lives of people.

To simply victimize groups for cheap short term headlines is irresponsible. Unfortunately that is what I see in this. It is very easy. There are many people in the community who are scared to death of AIDS. It is a terrifying prospect. Surely we who have access to the experts and access to the information can take the time to learn about the issue, can take the time to learn about the work that is being done and bring forward responsible decisions not to inflame that fear.

We have heard it over and over again: youth crime is out of control; immigrants are a drain on society; aboriginals are lazy. That is what we are getting day after day.

The member for Simcoe Centre made a comment about pandering. If there is pandering going on, it is the Reform Party pandering to every nasty instinct that people have and doing nothing to try to advance a different view of this country.

**Mr. Harper (Simcoe Centre):** Doing nothing, look in the mirror.

**Mr. Alcock:** Mr. Speaker, I would remind members that I sat and listened very carefully to the member for Simcoe Centre. I would simply ask that they allow me to do the same. I realize they might be a little afraid to have this kind of talk. They certainly do not appear to understand it.

The fact is that daily we in this Chamber confront a great many very difficult issues. Listening to the members opposite one would think that every adolescent was committing crimes when we know that many of our programs for young people have been very effective. In fact, we know that the majority of young people are living responsible lives, but we do not hear that from across the floor.

We do not hear about the successes in aboriginal communities. We hear about the failures. We do not hear about the successes in immigration, or the successes in multiculturalism, or the successes and the strengths that are given to this country through diversity. We hear about the problems.

Those members do a great disservice to their own constituencies. They do a great disservice to the people of this country when they simply pander to the feeling that somehow we have become better by hating or rejecting or excluding people.

• (1130)

I had an experience some years ago. I was talking with a woman, a professional colleague who is a psychologist. In the middle of the conversation she broke down. She shared with me that she had AIDS. She did not have AIDS, but was actually HIV positive. Her husband was a hemophiliac. He got AIDS through a tainted blood supply and transmitted it to her. She now has full blown AIDS and will no doubt not be with us soon.

That is a terrifying prospect, but when we look at that we know that AIDS is not as virulent or as rampant or as contagious a disease as some people believe. Yes, it is transmittable. There are significant health risks. We should examine those risks. That is a fact and yes, we do. Yet people are so sensitive to this disease, so concerned about it, that they wave it as a banner in front of everybody who wants to be terrified by it or every homophobic individual in the country. All they do is victimize the people who are dealing with a tragedy in their lives.

I urge members to think about that when they bring forward resolutions to the House. There is a a screening process. There is medical examination of immigrants. The government reviews those regularly. We acted in this House some years ago to stop putting categorical lists in place because it categorically discriminated against people. There are policies in place that call for qualified medical personnel to examine people and make decisions about their medical admissibility. It is passing strange to me that the members opposite choose HIV as the one to mount their fight on. They need to examine very carefully their motives for entering into this debate.

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, it must be nice to be part of a government of responsible people who simply take the attitude: "Let us all be happy; things are fine".

That seems to be the attitude that often comes across. I really object to that because as my colleague from the Reform Party said a few minutes ago, if we applied common sense to a lot of things we are talking about, just straight, old common sense, it should ring a few bells. Apparently there are no bells to ring on that side of the House.

Many will say that any member rising in this House to support mandatory HIV testing of immigrants and refugees entering Canada is doing so because of moral judgment. Let me first say that no moral judgment is behind my supporting this member's bill. My support for this bill is based solely on one concern and one concern only. That is public safety. Before anyone can discuss whether all immigrants and refugees must pass a

mandatory HIV test to live in Canada, it is necessary to research the history and the transmission of HIV.

The unknowns are what we should be concerned about. The unknowns surrounding the infection of Canadians by HIV and the transmission of this virus to other Canadians must be addressed. As most Canadians know, those engaging in homosexual or bisexual activity and those engaging in heterosexual contact with persons of high risk are dealing with the two largest sectors of our society that test positively for HIV. What is seldom talked about is the third largest sector of HIV positive Canadians, those who are HIV positive with no identifiable risk factor.

How can someone who is not homosexual, bisexual, an injection drug user, or who does not associate with these high risk individuals become HIV positive? Science cannot answer that question. Science can say that human immunodeficiency virus, HIV, is offering one of the most difficult challenges to those actively engaged in understanding how this virus works.

• (1135)

What is understood is that there are two known types of HIV, HIV–1 and HIV–2. The predominant virus in Canada is HIV–1 which is considered by scientists as the most serious viral form.

Scientists also say HIV is the most studied virus in history but much remains to be learned about it. It is known HIV is retro–virus. It consists of RNA and must invade the DNA of living cells to replicate. It is believed that HIV may require one or more co–factors that act together to cause full blown AIDS. What those co–factors are have not been identified.

It is also believed by scientists that HIV is the most genetically variable virus yet discovered and that worldwide there are at least five subgroups of HIV–1, the most dangerous form of the virus. This virus is known to mutate rapidly and is known to recombine with other HIV strains. This mutation can change the manner HIV infects the host and may change the manner in which the virus can be transmitted.

Of Canadians known to be HIV positive and have developed AIDS, 4.5 per cent have no known identified risk factor that would explain why they became HIV positive. That particular stat worries me and it should worry every member of this House.

There is currently no known cure or preventable measure that will end the worldwide threat to humanity posed by this virus. To be infected by this virus is considered a slow death penalty of great suffering.

We have Canadians who have practised every known method to reduce the risk of HIV infection and yet they are known to be HIV positive. Can we allow those outside of Canada to bring different strains of HIV into this country to readily mutate with the strains already here? Can the rapid mutation of HIV and possible unknown variations of HIV cause the infection of those known not to engage in risk behaviours? Could introducing a new strain of HIV to Canadians develop a mutated version of the virus that we presently have that would allow far easier infection of Canadians?

I do not know the answers to these questions and it appears the scientists who are studying this do not know either.

Under current immigration regulations anyone presumed to be a drain on Canada's health care system can be refused authority to immigrate to Canada and HIV positive status is now a legitimate reason to prevent immigration to Canada.

I understand this may change if this government accepts a proposal to allow anyone into Canada who would not be a drain on the medical system for five years. It is known to take seven to ten years from infection by HIV to require enormous medical need. Those not showing symptoms nor admitting to HIV positive status or are unaware they are HIV positive who are now entering Canada will require either large medical expenses in the future or maybe a threat to spread the HIV virus.

Public safety also means no one has the right to spread a health threatening virus. It is a legitimate purpose of law in this nation to protect individuals and communities from health threatening possibilities and the cost of HIV infection.

Public safety also dictates this government maintain a public health system that will be available for our citizens. In 1992 the average demand on our health care system per citizen was $2,247. An individual with progressive HIV infection after seven to ten years will require an expenditure of $70,000 to $100,000 per year. Every HIV positive person who requires known medication will use up to 40 times the medical expense used for every Canadian.

The unknowns of how HIV mutations will affect positive individuals and transmission of the virus from positive individuals to others are still being investigated. The total potential cost to the health care system by HIV positive individuals is not known.

Whether we can afford this total cost when we all know cuts will be necessary to health care financing if Canada is to keep our health care system accessible to all is not known. All these issues concern public health and safety and must be stated to Canadians. I believe that Canadians have no argument with allowing immigrants and refugees to live in Canada if they will not be an unnecessary and extravagant drain on their tax dollars or a threat to their health. I believe allowing individuals into Canada without knowing who may spread the virus or whether their cost to the health care system may be so large that the majority of Canadians will be denied adequate health care assistance in the future is too great a risk for the majority of Canadians to accept.

• (1140)

Since exposure to HIV infection may lead to AIDS which is plainly life threatening, it is a legitimate purpose of law to protect individuals, communities and this nation from the spread of the virus. That is why I support the member's bill requesting mandatory HIV testing for all immigrants and refugees entering Canada. I believe the majority of Canadians would agree with me.

In 1968 my wife and I and my small child arrived in Canada. When we were at the immigration office it was explained that we had to have certain things in terms of money available and a few other things.

**Mr. Bellemare:** Were you tested?

**Mr. Thompson:** If the member will be quiet for a minute I will tell him about the medical requirements.

I was required to go the doctor as were my wife and baby. We were given probably one of the most thorough medical examinations we have every gone through with the clear understanding that if there was anything wrong, any medical reason from tuberculosis on down or any kind of heart disease problem, whatever it may be, it would be cause for grounds not to be able to enter this country.

We accepted that as being wise. Had we not passed we would not have come.

**Mr. Bellemare:** They should have given you an attitude test.

**An hon. member:** Little boy, what are you going to be when you grow up?

**Mr. Thompson:** Once again, it is just common sense that it was done. We accepted it and we are very grateful that we passed the test.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, on a point of order. I think you would find unanimous consent of the House that we go to Statements by Ministers, interrupting whatever business may be in progress at one o'clock this day, as arranged.

The proposal is that at one o'clock whatever business is before the House be then interrupted so that we can go Statements by Ministers for the purpose of allowing the Prime Minister to make a statement.

**The Acting Speaker (Mr. Kilger):** The House has heard the terms of the motion.

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

**Some hon. members:** Agreed.

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, it gives me great pleasure to enter the debate on this motion by the hon. member for Calgary Northeast. I congratulate the hon. member for bringing this matter to the House. I am certain that HIV testing is a major concern of most people in Canada.

There is a great deal of concern about this disease. I believe the whole medical profession is evolving in its attitude toward the disease and in trying to find a cure for it.

I can speak from personal knowledge because I watched the son of a friend die from this very debilitating disease. I watched that young man lose weight, go into trauma. It was a very traumatic experience for us all. The effect it has on families and friends cannot be measured by anyone who has not experienced that.

In addition, I have also had the advantage of travelling around the world a bit. One country I was able to visit was Kenya. Kenya as some may know has a major problem with this disease, much more than we do. In some ways it has reached epidemic proportions in that country. In spite of my own experiences with the disease and watching people suffer from it, I have to reject the motion of my friend. I reject it not from an uncaring point of view but rather the importance of getting this thing right.

In other words it is very important that we start monitoring our immigrant population coming into our country. However, we must get the system correct. By getting it right, I mean the minister is now conducting a review of this whole area. In that process he is consulting medical practitioners. He is basically trying to get the system correct from day one.

• (1145)

Most Canadians recognize this is a very serious disease. However, authorities are somewhat split on how important a disease it is and how it affects the host population. For instance, this disease cannot be spread by personal contact; most medical practitioners do not believe it has reached crisis proportions in our population and do not regard it as a serious public health or safety threat.

Why is it important to get things right? This is the whole essence of this debate. It is not so much in monitoring our immigrant population, those coming into our country, but rather the effect we can have on the current population in recognizing this important disease.

In looking at the Immigration Act, I note in 1952 that our country disallowed the admission of immigrant populations that were disabled for medical reasons. That was not that long ago. How would our resident population of disabled people feel when their own country denied access to this nation because people were disabled? I suggest that it would make them feel like second class citizens. Many in our population do have AIDS. We

must use every resource we have to try to do away with this important disease.

It is also crucial we do not give the opinion, from the government point of view, that there is something inordinately wrong with these people, that if they want to come into the country they would be denied, that they are second class citizens.

I know that the disease itself, even in testing positive for HIV, does not mean that you have the disease. As a consequence, today as we talk, there is no clear way to effect the admissibility of immigrants coming into this population; there is no real way to measure whether they have the disease.

I note that currently the practice is that where there is a suspicion of the disease, the authorities do require testing, and they do deny admissibility. However, it is done on a selective basis, it is not done on a comprehensive basis which maybe the hon. member had anticipated.

In conclusion, it is very important that we get it right. I do not think we are really disagreeing with the importance of the monitoring process; what we are talking about is how to get it right. We have to get it right not only so that we monitor people coming into our country but we get it right in our attitude as to how to deal properly with this very important disease in our own country.

**Mr. Hanger:** Mr. Speaker, I rise on a point of order on the right of reply. I seek the unanimous consent of the House for a two–minute conclusion to this debate.

**The Acting Speaker (Mr. Kilger):** Let me be helpful to you. The member for Durham had concluded his remarks. I assured myself that he has closed debate.

The hon. member for Calgary Northeast who is the mover of this motion is asking the consent of the House, and I think in the spirit of this 35th session of Parliament that people agree—

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** The House understands fully that the member is closing off debate. No one else will speak to this motion and the question will be put forthwith in two minutes.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I urge all members of the House to support this motion. It is time that we sent a strong, non–partisan, non–political message to the immigration minister and to the government. It is time to put Canadians first. It is time to enforce the preamble to the Immigration Act that charges us with responsibility for the protection and safety of Canadians.

HIV–AIDS has been politicized. It has become a partisan issue and that is a crying shame. We tend to forget that the politics of this disease has prevented Canada from taking action to eliminate it. It has cost us untold numbers of lives.

This motion does nothing more than extend Canada's regulations regarding the entry of people with serious transmittable diseases to the most serious transmittable disease of all. That is not intolerance. That is not special interest pandering. It is not regressive. It is common sense.

If we in the House have a duty to exercise leadership in the interests of doing right for Canadians we have a duty to do more than just pander to our respective blocks of voters. We have a duty to do more than gauge the winds of special interest opinion.

This is what my colleague, the minister of immigration, has done for the past year. It has lead to a year of non–action, a year in which the legitimacy of our immigration program has been severely undermined. For immigration to continue in Canada it must have the support of the Canadian people. It must command respect. In order for it to command respect in the eyes of the public, the program must be seen to be protecting and furthering the needs and interests of Canadians.

Protecting HIV–AIDS, giving it special status simply because of its politics is the very opposite to protecting the needs of Canadians. It must stop.

The House should be in the business of creating and maintaining an immigration program that works for everyone. We can do nothing less.

**The Acting Speaker (Mr. Kilger):** It being 11.51 a.m., pursuant to Standing Order 93, the time provided for debate has expired.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Call in the members.

● (1210)

*And the bells having rung:*

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. This being a private member's ballot item, there is an understanding that we will vote by rows as is traditionally done for private members' hour and not the system that is used for government bills.

**The Acting Speaker (Mr. Kilger):** We will be voting row by row. It should be a great way to start the week.

As is the practice the division will be taken row by row, starting with the mover and then proceeding with those in favour of the motion sitting on the same side of the House as the mover; then those in favour of the motion sitting on the other side of the House will be called; and those opposed to the motion will be called in the same order.

• (1220)

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

*(Division No. 94)*

YEAS

Members

| | |
|---|---|
| Assad | Bodnar |
| Bridgman | Brown (Calgary Southeast) |
| Bélair | Caccia |
| Duncan | Epp |
| Forseth | Frazer |
| Gauthier (Ottawa—Vanier) | Gilmour |
| Hanger | Hanrahan |
| Harper (Calgary West) | Harper (Simcoe Centre) |
| Hart | Hayes |
| Hermanson | Hill (Macleod) |
| Hill (Prince George—Peace River) | Hoeppner |
| Hopkins | Iftody |
| Jennings | Jordan |
| Karygiannis | Lincoln |
| Loney | Maloney |
| Martin (Esquimalt—Juan de Fuca) | Mayfield |
| McClelland (Edmonton Southwest) | McCormick |
| Meredith | Mills (Broadview—Greenwood) |
| Mills (Red Deer) | Morrison |
| Nault | Pickard (Essex—Kent) |
| Proud | Ramsay |
| Rideout | Ringma |
| Schmidt | Scott (Skeena) |
| Silye | Simmons |
| Solberg | Thompson |
| Wappel | White (Fraser Valley West)—52 |

NAYS

Members

| | |
|---|---|
| Alcock | Allmand |
| Anderson | Assadourian |
| Augustine | Bachand |
| Berger | Bertrand |
| Bevilacqua | Blondin-Andrew |
| Bonin | Bouchard |
| Boudria | Brown (Oakville—Milton) |
| Calder | Catterall |
| Chrétien (Frontenac) | Clancy |
| Collenette | Collins |
| Copps | Culbert |
| Daviault | Debien |
| de Savoye | DeVillers |
| Dhaliwal | Dromisky |
| Duceppe | Duhamel |
| Finestone | Finlay |
| Gaffney | Gagliano |
| Gagnon (Bonaventure—Îles-de-la-Madeleine) | Gauthier (Roberval) |
| Godfrey | Godin |
| Goodale | Guay |
| Guimond | Harb |
| Harvard | Hickey |
| Irwin | Jackson |
| Jacob | Kirkby |
| Knutson | Lalonde |
| Landry | Langlois |
| Lavigne (Beauharnois—Salaberry) | Leroux (Shefford) |
| Malhi | Marchand |
| Marleau | Massé |
| McKinnon | McLellan (Edmonton Northwest) |
| Mercier | Milliken |
| Minna | Murphy |
| Murray | Nunez |
| O'Reilly | Peters |
| Picard (Drummond) | Richardson |
| Robichaud | Rock |
| Rompkey | Sauvageau |
| Scott (Fredericton—York—Sunbury) | Shepherd |
| St-Laurent | Steckle |
| Stewart (Northumberland) | Szabo |
| Telegdi | Thalheimer |
| Tobin | Torsney |
| Tremblay (Rimouski—Témiscouata) | Valeri |
| Vanclief | Young —88 |

PAIRED MEMBERS

Members

nil/aucun

**The Acting Speaker (Mr. Kilger):** Order. I wonder if I might ask a few of our colleagues for verification of their votes, specifically, the member for Burin—St. George's and Broadview—Greenwood. Could they indicate to the Chair if it was their intent to vote in favour of the motion?

The member for Broadview—Greenwood?

**Mr. Mills (Broadview—Greenwood):** Yes, Mr. Speaker, I stood and I was in favour of the motion.

**The Acting Speaker (Mr. Kilger):** The member for Burin—St. George's?

**Mr. Simmons:** Yes, Mr. Speaker, I was pleased to support the motion.

**The Acting Speaker (Mr. Kilger):** I declare the motion lost.

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# GOVERNMENT ORDERS

[*Translation*]

## CANADIAN ENVIRONMENTAL ASSESSMENT ACT

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.)** moved that Bill C-56 to amend the Canadian Environmental Assessment Act be read a second time and referred to a committee.

She said: Mr. Speaker, we are debating today how to make good legislation even better. This bill sets out to improve one of the most outstanding environment acts in the world. With the Canadian Environmental Assessment Act and its important amendments, Canada will be a world leader in environmental thinking and practice. We are also making this country a better place to be.

[*English*]

The Canadian Environmental Assessment Act was first planned by the current Leader of the Opposition in 1989 when he was Minister of the Environment. We were in opposition at the time. I was the Liberal critic for the environment.

Our party supported the hon. member for Lac–Saint–Jean in his efforts and voted in favour of the act. We put aside our partisan differences and voted for legislation which was good for the environment and good for Canada.

We supported the hon. member and wanted the law proclaimed. Indeed it was a red book promise because the law, as it previously existed, was complicated, arbitrary, unpredictable and incomplete.

[*Translation*]

We needed new legislation to simplify the process and strengthen it.

**Mr. Landry:** On a point of order, Mr. Speaker. We do not have French translation and cannot follow what the minister is saying in English.

**The Acting Speaker (Mr. Kilger):** We will certainly look into this and take the necessary steps to remedy the problem. In the meantime, I would ask the hon. Minister of the Environment to carry on with her speech.

[*English*]

**Ms. Copps:** Mr. Speaker, the new law will ensure that the environmental impact of projects is taken into account before the projects go ahead. The new law nourishes and reinforces the link between environmental health, economic health and human health.

The act finally addresses the important issues which are so crucial to Canada. The new system is straightforward and streamlined. Small scale, routine matters will be dealt with through a simple screening process. We do not need to spend taxpayers' money to hold a grand inquisition for repairs to the roof of a building.

On the other hand, large projects or environmentally sensitive projects will receive the comprehensive public study they need. It is absolutely essential that projects in our national parks, nuclear power plants, dams, mines and new industrial developments undergo comprehensive environmental impact studies.

[*Translation*]

The act introduces the new principle of mediation. To the extent possible, we want environmental problems to be resolved by consensus to everyone's satisfaction.

• (1225)

[*English*]

Screening, comprehensive study and mediation will eliminate the waste and bureaucracy that unfortunately sometimes results in much time being spent on minor or easily resolved issues.

A project will only reach the stage of review by an independent public panel if there are difficult environmental issues which cannot be resolved in any other way. When the environmental impact is important enough to be subject to an independent review, the act allows for full public involvement and requires a more stringent assessment of the project.

For all projects we want everything out in the open and we want to ensure that the public interest is paramount.

[*Translation*]

It comes as no surprise that, referring to the Canadian Environmental Assessment Act, the hon. member for Lac–Saint–Jean said, back in December 1989: "This will probably be the best legislation of the kind in the world". No wonder that, last month, the Leader of the Opposition described this act as his baby, adding that he had fought very hard for it in cabinet.

[*English*]

Maybe we should not be talking about babies.

[*Translation*]

No wonder that the Leader of the Opposition said: "I am not against this legislation. I never said a thing against it". And the present Leader of the Opposition suggested last month: "We must find a way to harmonize provincial and federal jurisdictions. These two levels of government have to work together, otherwise it will be chaos".

To opponents of the act, the hon. member for Lac–Saint–Jean said in 1990: "We have jurisdiction. We take our responsibilities. If work is carried out in James Bay that can affect the nature and composition of Hudson's Bay's water, the federal government has the right, indeed the duty, to stop work, otherwise the courts will step in".

The Canadian Environmental Assessment Act emphasizes the importance of federal–provincial co–operation and the harmonization of our respective systems. I am committed to working with each of the provinces to that end.

We are willing to work with the provinces; the federal government did in fact sign a harmonization agreement with Alberta, and next week I will sign a second agreement with Manitoba. We are also negotiating with Saskatchewan, British Columbia, Ontario and the Atlantic Provinces.

I know that everyone in this country is concerned about the environment. Whatever our political differences, we all want a livable world for our children. We may not always agree on the approach, but we want the same results. It was clearly stated in the red book that we would reinforce the power of review panels by letting Cabinet deal with federal projects, and I am going to go even further.

If I may, I would like to quote from the red book: "Individual Canadians have expertise and a valued perspective to contribute to environmental policy–making. These assets are often not tapped because of financial or legal restrictions. A Liberal government will amend the Canadian Environmental Assessment Act to legally recognize intervenor funding as an integral component of the assessment process".

These were public commitments. Today, we are delivering the goods.

To those who are still questioning the act, I will quote the Leader of the Opposition, when he was talking about the old offer: "Current guidelines are not clear regarding federal–provincial co–operation on joint assessments". We are aware of the need for clarification and we are working on it. The result can be seen today. That is why we have this bill today.

• (1230)

I urge the Opposition to listen carefully to what Lucien Bouchard said about the Canadian Environmental Assessment Act: "This bill does not encroach on provincial jurisdiction". It was not the current Minister of the Environment but the former Minister of the Environment—when he was a federal Cabinet minister—who said that we must ensure that there is no encroachment and step up harmonization efforts in order to avoid overlap.

[*English*]

For the last year the federal government has met with and listened to Canadians, environmentalists, communities, businesses and individuals. They have asked us to act further to improve the Canadian Environmental Assessment Act and we have listened in good faith. The amendments we are introducing today are proof of that good faith.

The bill we are debating today proposes to entrench in federal law the principle of one project one assessment. It is wrong that responsible businesses may be subjected to more than one federal assessment for their project.

We need a strong, open public environmental assessment process but we do not need it repeated and repeated and repeated. Today's legislation commits us to ending confusion and overlap and to reducing cost and complexity.

The second amendment guarantees that communities will receive the support they need to take part in major environmental assessments. Local communities with a direct stake in the outcome of an environmental assessment must have the resources to participate if their rights are to have any real meaning. I use the example under the past process of Elliot Lake which obviously had a very direct interest in how the operations of Denison were decommissioned.

The last amendment requires the federal cabinet to respond to any recommendations of independent review panels. This means that no individual cabinet minister can overrule the environmental assessment made by an independent panel. This means that no Kemano projects can be signed behind closed doors. This means that as a government we are willing to be fair, to open up the process, to simplify the process, to listen to concerns and ultimately to take a full cabinet decision. Once again we have built it into the law in black and white.

We are not only talking about our belief in the principle of one project one assessment.

[*Translation*]

This is not only about the right of people from Chicoutimi, the Abitibi region, Quebec City or Montreal to have their say on environmental assessments. The bill establishes a participant funding program to help people who do not have the necessary financial resources exercise this right. How can anyone accuse the federal government of undermining the environmental rights of the people from the Lac–Saint–Jean region, when we give them the funds they need to participate in the environmental assessments of the projects affecting them?

This amendment has nothing to do with Ottawa politicians trying to impose their views. Rather, it is aimed, as the Leader of the Opposition realized, at giving the people from the Lac–Saint–Jean region the power to tell the federal government what they think about a federal project. It is aimed at giving the people from the Lac–Saint–Jean region the ability to influence federal decisions affecting them directly in their daily lives.

[*English*]

We are not just talking about ending backroom pressures to overturn environmental assessment. We have introduced legislation to take away the ability of any individual cabinet minister to overturn those decisions. We have introduced legislation to make sure that the recommendations of independent panels cannot be shoved on to the back burner.

• (1235)

The new law puts the onus on cabinet to respond to those recommendations. In the name of fairness and openness and in order to make sure that everything is completely transparent, we are acting to make sure that the whole government by virtue of cabinet is responsible for environmental assessment decisions.

[*Translation*]

Yes, this bill recognizes the essential federal role in environmental assessment. As the Leader of the Opposition said so well: "The federal government certainly has some powers which no one contests". For example, the bed of Hudson Bay belongs to the federal government. This would not change. So as I said and I repeat, if work goes on in James Bay which affects the nature and composition of the water emptying into Hudson Bay so that marine or other life in Hudson Bay could be affected, the federal government has the right and even the duty to act; otherwise, the courts will stop the work.

The Leader of the Opposition understands the law well and he was right when he described some federal responsibilities. It is not only legal; it is a matter of environmental reality. When you throw something into Hudson Bay, it affects northern Quebec. When you throw something into Hamilton Bay, it affects Montreal. Consider the International Joint Commission for the Great Lakes; what we do in these Great Lakes obviously affects the St. Lawrence River.

If a project on the north shore of Lake Superior is an environmental disaster, the problems end up not only in the Great Lakes but also in the St. Lawrence and the people of Montreal, Trois–Rivières, Quebec City and Rimouski suffer as a result. Environmental blunders in the Great Lakes affect Magdalen Islanders. Environmental problems do not respect borders. We have no choice but to face up to our shared environmental responsibilities. We must all come to an understanding here in Canada. The federal and provincial governments must work together, despite our political differences, to solve these problems, for the greater well–being of our people.

[*English*]

It is for the good of the people that we have to set aside our political differences, set aside our political agendas, and understand the point made by the Leader of the Opposition when he was in government and said the time had come to end the duplication and confusion that surrounded the EARP guidelines.

[*Translation*]

We must present a common front internationally to solve global environmental problems. We must work together to solve our common problems with the United States. We must work together to solve our problems in the Pacific, the Atlantic and the Arctic.

We have acted, we are acting and we will act to put in place what the Leader of the Opposition has rightly called absolutely major legislation. We must go further. We must overcome our differences and find a way to reach agreement. I am counting on my colleagues in the Official Opposition to support the bill initiated by their own leader, which will benefit all the people of Quebec and Canada.

[*English*]

Sound environmental practices are essential if we are to move to the day when pollution prevention becomes a central part of our thinking. Sound practices are essential in planning projects which are environmentally and economically sound. Sound practices are essential to planning and creating a better future.

The legislation does not solve every environmental problem in the country. We will need to fine tune the legislation. That is why we have a one–year monitoring program in place. If there are real problems, let us move to solve them. If we can make more improvements, let us move ahead. If we can find new ways of eliminating overlap, of saving taxpayers' money, and of co–operating and harmonizing our efforts, let us do it.

The bill moves forward the federal government's commitment in meeting our obligation to the environment which all of us share and which all of us cherish. Not only does the act move in that direction, but certainly the amendments we are discussing today speak very specifically to making the law workable for all Canadians in the interests of a sustainable environment.

• (1240)

[*Translation*]

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, Bill C–56, an Act to amend the Canadian Environmental Assessment Act, which was announced on October 6, is now at second reading.

This legislation includes three amendments to the Canadian Environmental Assessment Act, as announced by the minister on October 6. That announcement almost went unnoticed, since the paper on social program reform had been tabled the day before. The minister's decision to make the announcement on that day was obviously an attempt to create a diversion, given the controversy generated by the reform proposal tabled by her colleague, the Minister of Human Resources Development.

The method used by the minister can certainly not be called transparent and open. On that day, the minister announced a piece of legislation which was first developed in 1990 when our current leader, who was then Minister of the Environment, tabled Bill C–78 on the environmental assessment process. That legislation was reintroduced in May 1991 as Bill C–13. In December of the same year, a legislative committee made over 150 amendments to the original bill. Several provisions and clauses were deleted, reworded or added.

However, the flexibility which had characterized Bill C–78 had completely disappeared and been replaced by a very strict legislative intent. Moreover, one of these amendments, which affirms the federal government's intention to promote sustainable development, clearly indicates that the federal government considers itself the sole responsible for the renewal of resources, even though these fall under provincial jurisdiction.

Bill C–13 was passed by Parliament in June 1992. The long delay before the proclamation of the bill was due to the need to draft the regulations required to implement the act, and also to the desire of the current Minister of the Environment to introduce the amendments which we are now examining at second reading.

Following all these changes, it is clear that the current centralizing vision does not agree with the original legislation tabled by our leader when he was Minister of the Environment. In an article published in *Le Devoir* on April 1, 1992, Mr. Michel Yergeau, a prominent lawyer specializing in environmental law, reminded those who were trying to justify federal interference in fields of provincial jurisdiction by invoking the fact that the original legislation had been drafted under Mr. Bouchard's responsibility, that the then Minister of the Environment was very aware of the constitutional realities imposed by the nature of environmental problems.

Mr. Yergeau quoted part of a speech made by the Leader of the Opposition who stated that in the grey areas, where the Constitution does not clearly define the role of each of the stakeholders, we must have co–operation. He added that, at a time when we realize that the debate on the environment is the fight for life itself and that this fight must be taken up by the whole world, and not affect only our own jurisdictions, our constituents would not understand and even less tolerate a wrestling match between federal and provincial politicians.

Moreover, the spirit of the ruling by the Supreme Court in 1992, in the Oldman River case, essentially boiled down to respect for provincial jurisdictions. The Court ruled that the assessment process provided for by the order did not apply to projects undertaken pursuant to federal legislation, and I quote: "On the issue of the positive obligation to regulate, Mr. Justice LaForest indicated that it was not intended that the guidelines order be applied every time a project could have an environmental impact of an area of federal jurisdiction". He added: "The federal minister or the panel cannot use the guidelines order as a disguised tool to impinge on areas under provincial jurisdiction that have nothing to do with the relevant field of federal jurisdiction".

• (1245)

We must admit that all the amendments made to this legislation between the time it was first introduced and the time it was enacted changed completely the spirit of the reform proposed by the Leader of the Opposition in 1989. Bill C–78 was designed to harmonize the assessment processes and not to put under federal supervision the processes already in place in Quebec and in other provinces.

Despite these revealing statements on the true spirit and purpose of the original bill, the minister jumped on the opportunity to give credit to the Leader of the Official Opposition for this legislation. In fact, the minister always uses this defensive strategy when we ask questions regarding environmental matters that date back to the period when our leader was Minister of the Environment. Could it be that the minister is looking for a good example or even for a guide to help her run her department? If she continues to link everything she does to our leader, Canadians will wonder whether our leader is still running this department or whether he has simply become the minister's mentor.

But knowing the minister and her political ways, which are always of a partisan nature, we have to conclude that this is just a strategy to slow down the Official Opposition. She uses the alleged inaction of her predecessors to try and justify her own incompetence.

The minister obviously thinks that she just has to refer to our leader's past and we will buy everything she wants to sell us, but she is wrong. We will reject all of her proposals that do not respect the environment and we will protest against any infringement on the provinces' jurisdiction. Already, in 1992, the Bloc had expressed its strong opposition to Bill C–13 because it did not recognize the existence of a provincial environmental assessment process in Quebec. I also want to remind the minister that the Bloc Quebecois made a biting reply to the promulgation of the Canadian Environmental Assessment Act.

I also remind her that the government of Quebec reacted the same way. Mr. Jacques Brassard, provincial Minister of the Environment, even withdrew Quebec's representatives from federal–provincial discussions. The new Quebec environment minister described this new federal environmental assessment process as an arrogant attempt at displacing Quebec from that jurisdiction. He went on to say that this is precisely what business people were asking his government to avoid, that business executives think having two assessment processes will be a disaster for the Quebec economy.

The Quebec minister states that developers of all kinds will be faced with two processes having two different sets of requirements. He said: "It is clearly unacceptable to Quebec. It smacks of provocation, arrogance and lack of respect for Quebec".

As I already indicated, Quebec announced it was pulling out of discussions initiated by the federal government on environmental requirements harmonization because those discussions are a sham. The Quebec minister said: "They have gone too far. This bill is a deliberate act of provocation on the part of the federal government against the new sovereignist government in Quebec. It amounts to putting the province under a kind of guardianship".

The federal minister nonetheless proclaims a so–called new era of co–operation, but it is nothing but window dressing. It clearly demonstrates the centralist vision of the federal government. Certain provinces are used to justify the use of strong–arm tactics against other provinces. The federal government signs agreements with some provinces, Alberta and Manitoba in this case, indicates that negotiations are under way with five more provinces and, all of a sudden, introduces a bill.

The wall–to–wall theory is used. The Canada–wide approach is made to apply. National standards are implemented without any regard for what is already being done in some provinces or territories. The federal bulldozer starts rolling before discussions with the provinces are completed. That is precisely the attitude provinces reject and the public no longer accepts.

• (1250)

Unfortunately, ever since they came to office the Liberals have done nothing but centralize and encroach upon provincial jurisdiction. The Liberals still believe in a Canada that is the same from one end to the other, wrapped in the same red tapestry made from a book of the same colour on which the members opposite have fed abundantly during the last electoral campaign. However, as time passes, colour and direction are changing.

Take for example the last green, mauve and grey books that this government made public with great pomp. Their projects and propositions once more target ordinary Canadians and show this government's determination to encroach upon provincial jurisdiction.

This bill on environmental assessment is no exception to the rule of this overbearing and totalitarian federalism, as the former Liberal Environment Minister of Quebec, Mr. Pierre Paradis, called it. Coming from a convinced and orthodox federalist, from the same party as hon. members opposite, that says it all. May I remind you that Mr. Paradis came before the Senate to try to stop the passing of the bill introduced by then minister Charest, implementing the federal environmental assessment process. The minister said that Bill C–13 was trespassing dangerously on Quebec's preserves.

He also said that this bill would allow the federal government to encroach upon a provincial jurisdiction. He believed Ottawa could, from then on, intervene any time it wished to assess a Quebec project that could have an environmental impact.

This true federalist said that Bill C–13 would allow the use of every available lever to submit as many projects as possible to the federal assessment process and even to control all aspects of assessments done by another jurisdiction. He also said that the federal process would constantly interfere with Quebec procedure.

The person who said those things in 1992 was not a member of the P.Q. or the Bloc, not a separatist. He was a Grit, a Liberal, a federalist, just like the Minister of the Environment and the government.

On November 22, 1991, Mr. Paradis wrote to his old friend in Ottawa, minister Charest, the present member for Sherbrooke. He wrote: "Bill C–13, in its present form, far from clarifying the situation, allows for a useless encroachment of the federal assessment process on decisions which fall exclusively under Quebec's jurisdiction, and this can only lead to a wasteful duplication of assessment processes and, inevitably, to numerous conflicts".

The federalist Quebec minister said he wished that Ottawa would recognize and respect the process used by the provinces to assess environmental impacts, something clearly under their jurisdiction.

It was not a P.Q. member who said that, that was not an evil separatist, it was a federalist who wanted the federal government to stay in Ottawa and look after its own affairs.

In another letter addressed to another minister of the Conservative government of the time—we should probably say of the era, since this party has virtually disappeared from the map—Minister Paradis wrote on December 17, 1990: "—the bill raises important constitutional questions and many implementation problems". He was saying clearly that the federal government had no business saying it had to protect the environment when trying to regulate areas of exclusive provincial jurisdiction.

This legislation would mean that all Quebec projects would be submitted to a federal environmental assessment. Minister Paradis was concerned about wasteful and costly duplication and delays, since the federal process would be added on to the Quebec process.

Finally, in the March 17, 1994 issue of *Le Journal de Montréal*, federalist Quebec minister Pierre Paradis was quoted as saying on the question of environmental assessments: "We have to harmonize the two legislations in order to have a single window, predominantly under Quebec control, for environmental assessment". And he added: "Quebec maintains that its jurisdiction must be protected and that it should be in charge".

• (1255)

The minister was here on March 17, 1994. How could she ignore a Quebec federalist minister's request?

A lawyer, Michel Yergeau, was of the same opinion when he wrote the following in the April 1, 1992 issue of the daily *Le Devoir*: "It is not because Ottawa has taken over a matter which demands a global approach and knows no boundaries that it can altogether disregard the Constitution. With Bill C–13, Ottawa

uses its authority and unilaterally settles matters in its favour, of course".

He then adds: "To justify such abruptness, Ottawa puts forward the pressing need to protect the environment in its areas of jurisdiction. The net result of this unilateral exercise is not and cannot be good. It must be reviewed and refined". I repeat: "It must be reviewed and refined".

The way things are at the present time, C–13 is just plain raw material the courts will have to refine on a case by case basis, which can only create a lot of resentment. In the long run, the whole exercise will be more time–consuming than sitting at the bargaining table to settle this issue once and for all. This is a real timebomb the federal government has planted in the Canadian legislation. This is also a further threat to the constitutional reconciliation the government yearns for. It is not even good for the environment.

This is a rather serious statement on the part of an environmental lawyer. It seems to me that the minister should take heed.

Mr. Yergeau says that Ottawa ignores the Constitution. He talks about the abruptness of the federal government. He thinks Ottawa is setting a time bomb in the Canadian legislation. The members opposite who believe in federalism should be very concerned by these statements. They should at least wonder about the impact their actions could have on the system they so implicitly believe in. It is totally illogical to in such a manner as to destroy a federal system you trust so much.

Of course, we in the Bloc feel that this suits our purpose. If you go on like this, there will come a time in 1995 when Quebecers will tell you: We see what you are after and you can just go back to Ottawa. From now on, we will do our own thing. This is just perfect. Carry on like you have been doing. All that is grist to our mill.

In an article published in *Le Devoir* on March 21, 1992, Lise Bissonnette said that the passage of the Act to establish a federal environmental assessment process was a kind of takeover. She indicated that Bill C–13 added to the Quebec–Canada problem that has yet to be solved, since it looks a lot like the Constitutional issue that it exacerbates while giving a lesson to Quebec. All the elements are there.

Lise Bissonnette compared Bill C–13 to an enormous machine that can assess absolutely everything, including the areas most obviously under provincial jurisdiction. She also said that the terms and conditions of future federal–provincial agreements would ensure that the provincial process is subject to the federal process, even though Ottawa only had a small say in this area.

More far–sighted, Ms. Bissonnette declared that Ottawa was giving itself the power to jeopardize Quebec's whole energy policy and thus its choices for economic development.

Finally, she concluded her article by saying that Ottawa, by giving itself such wide, preponderant power that could take many shapes and forms, would control not only the quality of life but also a large part of economic development.

Today, the minister and the federal government are faced with the clear consensus in Quebec against the CEAA. The Quebec Liberal Party, the Parti Quebecois and the Bloc Quebecois all expressed their strong opposition to this Act. But no matter what we do or say, the federal government will go ahead. Should we take comfort in realizing that such lack of understanding and respect leads to separation? As it did so many times in the past, the federal government leaves Quebec no choice. It is a take it or leave it situation. Quebecers will have to choose soon. That is what some people involved or interested in this issue said at the time.

• (1300)

Mr. Speaker, I know that I must stop here. Will I be allowed to continue later?

**The Speaker:** My dear colleague, yes, according to the Clerk, it seems that you have a few minutes left. I would also ask you to always address the Chair, not the members opposite.

It being one o'clock, pursuant to the order made earlier today with unanimous consent, the House will now proceed to Statements by Ministers.

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# ROUTINE PROCEEDINGS

[*Translation*]

## ETHICS

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, this government has set high standards of integrity and probity for itself. I have made integrity a number one priority personnaly.

I have said it before, and I will say it again: Setting such standards for the holders of public office is essential in renewing and maintaining the faith of Canadians in their public instructions.

This is the case in particular of ministers who must remain above reproach at all times and in all of their activities, whether it be as ministers, members of Parliament or private citizens. That is the burden of public office, and one that we all gladly accept to bear.

Last week, the actions of the Minister of Heritage were discussed in this House. Legitimate concerns were raised which we all share.

Everyone understands the rule that no one is to call judges concerning cases they have under consideration. This applies to everyone—ministers, MPs and ordinary citizens.

The rule concerning relations with the judiciary is unequivocal and has been in force for over 10 years. No minister may communicate with members of the judiciary concerning any matter which they have before them in their judicial capacities, except through the Minister of Justice or through duly authorized officials of, or counsel acting for, that minister.

[*English*]

But the situation is not as clear with administrative tribunals. The guidance we gave ministers in this area was that on those rare occasions when any minister might wish to communicate with members of the quasi–judicial bodies concerning any matter which they have before them in their judicial capacities, they should only do so through the duly authorized officials.

In addition to considering quasi–judicial matters, these bodies may consider a whole range of administrative, regulatory and policy matters.

Even in relation to quasi–judicial matters before them, administrative tribunals defer from the courts. As part of the decision making process, some tribunals welcome representations from ordinary citizens and members of Parliament. These representations are put on the public record.

When a representation is sent to the CRTC it is a public document. For example from September 1993 to October 1994 the CRTC held 18 public hearings. It received 15,422 letters in support of licence applicants. Seventy–two were from members of Parliament, from all parties in this House. Representations were made by many Liberal members, including ministers, members from the Bloc Quebecois, the Reform Party, the NDP, the Conservatives, and one independent.

• (1305)

Clearly we are not confronted with anything like calling a judge. What we are dealing with is the dilemma of ministers who also must fulfil their duties as members of Parliament who were elected to represent their constituents. That makes this whole area of relationships with administrative tribunals much more complex than with the courts.

I have learned a lesson too. This government has done a lot to give our ministers clear guidelines to do their jobs and avoid conflict of interest, including the historic ethics package we introduced in June. But now it is plain to me that the guidelines for dealing with administrative tribunals were not clear or complete enough.

[*Translation*]

Last Thursday, after Question Period, I gave instructions that all ministers and secretaries of State review their files and the operation of their offices to establish whether there existed any other cases like that of the Minister of Heritage, not only with respect to the CRTC but also with respect to other administrative tribunals.

We have found several cases of a similar nature:

The Minister of Citizenship and immigration, the Minister of Fisheries and Oceans, the Minister of Indian and Northern Affairs and the Secretary of State for Latin America and Africa have each written, over the last year, to the CRTC in support of license applicants. The Minister of Fisheries and Oceans has also written on behalf of his constituents to a number of administrative agencies, including the Pensions Plan Review Tribunal and a board of referees concerning unemployment insurance benefits, as he has always done during his long career as member of this House.

This is what we know so far. There may be others. But whether there are five or a hundred, the issue is the same.

[*English*]

As Prime Minister I am dealing with ministers who did not act for personal gain, who did not act for partisan purposes. In each case they acted in good faith for their constituents. Let us put what they did into perspective. There is no scandal here, no violation of integrity, and no breach of public trust.

How did this happen? I believe it is because we have not been clear in distinguishing between the role of a cabinet minister and members of Parliament in our guidelines when it comes to dealing with administrative tribunals. The government bears responsibility for that, and so do I.

I promised Canadians we would provide an honest government and we have. I promised them we would provide an open and accountable government and we have. But I did not, and never could promise an infallible government.

I said before that this government will make mistakes, but they will be honest mistakes and we will always move to correct them. That is what we are doing today.

On Friday I gave instructions for more complete guidelines to be developed in consultation with the ethics counsellor to ensure that ministers deal with administrative tribunals in an appropriate manner. This morning I wrote to each minister and secretary of state instructing them that until the new guidelines were in place all dealings with administrative tribunals must be done through the ethics counsellor, Mr. Wilson.

[*Translation*]

At Cabinet tomorrow, I will be reviewing the whole issue with ministers. No one wants to disenfranchise the constituents of a minister.

• (1310)

For example, on Saturday morning, I spent three hours in my riding of Saint–Maurice receiving my constituents. I even received some constituents from an opposition riding, Trois–Rivières. The Chamber of Commerce and mayor of Trois–Rivières came to see me. It is not even in my riding, but I thought that as minister responsible for the region, I would not punish the mayor who wanted to see me and just tell him to go and see his Bloc Quebecois member; because he wanted to see me, I received him.

Was I wrong? Was I right? I think that it is part of my duty to receive, as much as possible, people who want to see me. On the other hand, no one wants ministers to unduly influence administrative agencies. The challenge is to strike the right balance in imposing constraints on a minister that are not imposed on an ordinary member of Parliament.

Staff for ministers and secretaries of state will also be briefed. Finally, I believe this is a matter of legitimate debate and I undertake to hold a debate in the House of Commons before these guidelines are finalized. All members of this House have a responsibility to put my ministers—and me personally—under the closest possible scrutiny. We welcome that scrutiny, but that does not mean turning legitimate concerns into matters of scandal where none exists.

[*English*]

All my career I have believed that honesty is the best policy, that a government and a Prime Minister must level with Canadians, tell them the truth, and treat them with the respect and intelligence they deserve. That is what I am doing here today. I am proud of this government's record of honesty and integrity. We have worked hard to earn it. But honesty and integrity also mean facing up to moments like this. That is the responsibility that this government and I will never betray.

One of the values of our parliamentary system and our administrative system that is very important to me is that all cabinet ministers, including the Prime Minister, must first be elected in a riding where he or she is seeking the support and confidence of thousands of people like any other member of Parliament. After that he or she becomes the Prime Minister or is called to serve in the cabinet. The first duty of all of us is to make sure that the people who have voted for us are duly represented in this House of Commons and that their interests are defended. It is difficult sometimes.

For example when I was member for Beauséjour and Leader of the Opposition, a group decided to close a radio station. A representation was made before me. Some local people said: "We want to keep a radio station in operation in Shawinigan. Will you support us to get a licence if it is closed?". It was not in my riding but I knew these people. They knew there was interest in keeping a radio station operating in Shawinigan and I told them I would support them. They were in the business and wanted to buy the assets and operate it.

• (1315)

Fortunately somebody else bought the station and I did not have to support them. However, the local citizens of my riding wanted to keep a radio station in operation. They thought a person like me who was still a member of Parliament could help them to maintain a link of communication for the local citizens through a radio station. That is the type of thing and that is done in public.

A letter that a member of Parliament or a minister writes to the CRTC is not a private letter. It is not a confidential letter. All these letters are public documentation in a public trial that everybody can look at, just like the 14,000 people who wrote in support of applications.

When I asked my ministers—there may be a couple of others, I do not know who wrote letters like that in support of applications—I found that one of them, the Minister of Fisheries and Oceans, wrote in support of francophones in his riding who want to make sure that all the news programs for French news are accessible to the francophones of his riding.

Apparently he wrote too late, but the reality is that he was representing the interests of a little group of francophones isolated in the southwest corner of Newfoundland who wanted to communicate with people who speak French, the other official language of Canada, at home as completely as possible.

I am happy to report what I have been able to gather over the weekend to clarify the situation. From here on, while we are developing the proper guidelines, ministers will have to keep in mind all the time that we are members of Parliament and we are at the same time ministers and what are due or undue public interventions such as those I have mentioned.

I think it was in response to requests by their constituents in open fashion in open files. That is why I did not ask anybody to do anything. However, we will give proper guidelines after I hope a debate in this House of Commons so that the members of Parliament can tell us how to resolve this obligation to serve the nation as a minister and to serve the people who have voted for these ministers before they were called upon to serve in the cabinet.

[*Translation*]

With leave of the House, I would like to table a copy of the letters that ministers have written to the CRTC. These are public letters whose release in no way violates people's right to privacy. I would like to table these letters immediately.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the Prime Minister has just reiterated his commitment to integrity and ethics in government.

We salute these noble remarks, which he has repeated on many occasions, notably during his assessment of his government's performance in the past year. But I would daresay that last week, the Prime Minister, who was preparing for situations in which he would have to rigorously demonstrate his commitment to ethics, faced for the first time—after giving many speeches and making numerous commitments to uphold public integrity; and we understand how difficult it must have been for him—a situation in which he had to make a decision and translate talk into action.

• (1320)

With all due respect, I submit that for an honest leader of the government like the Prime Minister—which is something I recognize and congratulate him for; I think having an honest leader of the government is encouraging to all of us and important to all citizens—

**Some hon. members:** Hear, hear.

**Mr. Bouchard:** —it was an opportunity for the Prime Minister to go beyond his role as party leader and fully assume his primary responsibilities as leader of the government, namely being a vigilant and ruthless—repeat, ruthless—guardian of ethical standards. He had an opportunity to make an example, to ensure the continuity of ethical standards that have always been followed by Canadian government leaders by asking his minister to resign. I understand how difficult it must be. I understand how difficult it must be, especially when there is a personal relationship—as often happens within political parties—between individuals who work together for a while in the public interest. But one must sometimes look beyond personal relationships with fellow party members when fundamental values are at stake. I say that the Prime Minister—I say it with as much restraint as I can—failed his first test in honouring his commitment to integrity.

Let us have a quick look at the facts. On March 15, the Minister of Heritage wrote the Chairman of the CRTC to, I say, support a licence application. My claim is strengthened by the fact that the addressee himself wrote that he saw this letter, this action, as a letter of support. This is in the public file. On March 29, a letter thanking the minister for his support was put in the file. It was perfectly normal to think that the letter was one of support, since the minister was requesting that due consideration be given to the application, asking the CRTC to keep him abreast of any developments in the matter. Indeed, the minister, who is the CRTC's boss, asked to be kept informed about an application in which he had such an interest that he wrote a letter about it. Moreover, the minister offered, in writing, to provide any additional information the CRTC might have required.

It took six months for the Minister of Canadian Heritage to feel somewhat remorseful, decide to apologize and write to the CRTC to say that the March letter was not intended to convey support to the application. This is what the minister did. A minister's actions are judged by the Prime Minister. One of the duties of the Prime Minister is to ensure that ministers behave properly and comply with his own code of ethics and principles of integrity.

The Prime Minister was, to say the least, slow to react, since he found out on October 1 what happened but did nothing for a whole month. He waited until the whole issue became public and there is every reason to believe that we would never have known about this violation of basic rules of ethics for ministers if the letter had not been made public. The Prime Minister waited until the whole thing became public to suddenly start saying that this was an unacceptable mistake. It was too little too late on the Prime Minister's part.

What is he doing now? Today, the Prime Minister is drawing a fine line between judicial and administrative tribunals. The Prime Minister is a lawyer. He has always been in public life and he knows public law. He is perfectly aware that a large number of decisions made by the CRTC fall under the jurisdiction of ordinary courts of law. What makes a tribunal a tribunal is that it makes decisions on rights, on their delegation and creation, on disputes, and on complaints or penal complaints and charges.

• (1325)

The CRTC does more than determine policy. It acts as a judicial tribunal when applying the law. It makes decisions based on civil, financial and public law that directly affect Canadians, since these decisions concern the management of all aspects of broadcasting and telecommunications. It is also empowered to deal with complaints.

In this respect, the CRTC is subject to the same arm's length rules as judicial tribunals, and I would say even more so, because these quasi–judicial bodies have become so important that very often, the decisions they make are more important than the judgments of a civil court. For instance, the CRTC has the authority to decide whether or not a company will go bankrupt and whether a broadcasting or telephone monopoly will be awarded to one company rather than another. We all know that the financial stakes may be considerable, and citizens are directly affected by the implications, so these decisions are crucial.

One can hardly stand up in this House especially when as Leader of the Government, one is thoroughly familiar with the situation, and claim that an administrative tribunal is less important than a judicial tribunal and that the strictly arm's length relationship that must exist to ensure the independence of judicial tribunals does not necessarily apply to tribunals like the CRTC. The distinction does not hold water.

Second, the Prime Minister's attitude today is rather surprising. Here we have the holder of the highest office in our parliamentary democracy, who already made an extremely controversial decision not to accept the minister's resignation, although most newspapers who carried editorials on this issue asked for the minister's resignation and criticized the Prime Minister for not demanding that resignation, and now, today or yesterday, I am not sure which, but some day we may find out, the Prime Minister hears there were four other cases in addition to this one.

And today, he comes before us, neither repentant nor deeply apologetic, and refers to the fact that four other ministers were involved as an extenuating circumstance, as though there were safety in numbers.

Third, we have the Prime Minister making this incredible distinction, while at the same time muddying the waters with respect to the duties of members and ministers. I submit that the Prime Minister did Canadian democracy and the public perception of Canada's democratic institutions a great disservice when he appeared to erase the fine line between the duties of members and ministers.

The Prime Minister knows perfectly well that this entire debate is about the fundamental principle of the separation of powers. Our democratic institutions are all founded on the separation of powers: the legislative power, the judicial power and the executive power. The walls that separate these powers from one another are absolutely solid and impenetrable, because democracy requires us to dilute power and thus prevent the concentration of all these powers in one person, which is how dictatorships are born.

A strict division of powers is essential to the development of democracy, respect of civil rights and operation of public liberties. A minister cannot encroach on the judiciary. Why? Why is the rule so strict? Why is it that we do not have to prove dishonesty? Why is it that we do not have to prove corruption? How come the simple fact of over–stepping this boundary carries a sanction? Why? Because the principle to be protected is absolute, it is the principle of the judiciary's independence.

Democracy rests, first and foremost, on the rule of law. We all know that when the state violates the rights of an individual, when two individuals disagree, instead of resorting to violence or some other manifestation unacceptable in a democracy, we go before a wiseperson, someone totally independent, appointed for life, who will render a decision we can trust. I think that this country should pay tribute to the quality of its tribunals.

All governments try their best to make sure they only appoint to the bench people with an impeccable reputation, competent and honest. This is a rule which, up to now, has been observed by all parties. This is vital, because the day the judiciary is compromised, democracy as we know it will be over, we will not be able to resolve anything in a proper manner. Therefore, we have to respect judicial powers and we have to recognize the necessity of a separation of powers.

When the Prime Minister tries to pretend that there is no difference between the job of an MP and the job of a minister, he confuses two other powers, he crosses in an unacceptable manner the line separating the executive and legislative branches.

• (1330)

When a MP is chosen to be a minister, he enters a new phase, crosses the line between the executive and the legislative and is asked to behave with great rigour so as to respect the separation between both duties, both categories.

If a member is unable to understand that the fact of becoming a minister adds to his duties the obligation of being rigorous and respectful of these fundamental rules, he should not be a minister, he does not have the skills to be one, and should either resign or be dismissed.

**Some hon. members:** Hear, hear.

**Mr. Bouchard:** All these lame attempts at comparing him with an opposition member, even a government member who would intercede with an administrative tribunal on his constituents' behalf, do not wash because the Leader of the Opposition does not belong to the executive. The Leader of the Opposition is confined to legislative work and to representing his constituents. The Prime Minister knows full well that he twisted the facts, distorted these institutions when he confused both.

Do we really need new rules? Do we need to tell you that a minister who has broken the aforementioned rules must resign? There are many precedents, and in a British judicial system such as ours, precedents make the rule.

The Minister of Foreign Affairs knows full well that he cannot contact judicial and quasi–judicial tribunals. He did it once and had to resign. The member for Sherbrooke knows it too, he learned it at his expense.

**The Speaker:** Order, please. The right hon. Prime Minister.

**Mr. Chrétien (Saint–Maurice):** Mr. Speaker, he should stop lying to the House.

**Some hon. members:** Oh, oh.

**The Speaker:** Order. As you know, dear colleagues, it is unacceptable in this House to ascribe one member's motives to another member. It is certainly unacceptable to accuse a member of lying.

I would therefore ask, with all due respect, the Prime Minister to withdraw his comments.

**Mr. Chrétien (Saint–Maurice):** Mr. Speaker, what I meant is that he is confusing the two. Judicial is not the same as quasi–judicial. I clearly explained the difference between the two.

[*English*]

**The Speaker:** I am sure we want to hear both sides. Members of Parliament will have the chance to express themselves in the House. I would, with all respect to the Prime Minister, ask him to withdraw those words where he said that the Leader of the Opposition lied.

[*Translation*]

**Mr. Chrétien (Saint–Maurice):** I just wanted to set the record straight, Mr. Speaker. If I said the word "lie"—

**Some hon. members:** Withdraw those words!

**Mr. Chrétien (Saint–Maurice):** I am pleased to withdraw those words. I say to the Leader of the Opposition that he should stick to the text; there is a difference between judicial—

**The Speaker:** Dear colleagues, at this time, the Leader of the Opposition has the floor.

[*English*]

I return to the Leader of the Opposition to take up where he left off. We have heard a withdrawal of the words which were in question. They are categorical. I accept them as the Chair and I return to the Leader of the Opposition.

[*Translation*]

**Mr. Bouchard:** Mr. Speaker, I told the Prime Minister that there was no distinction between judicial and quasi–judicial bodies to the extent that they decide on rights. These are rights which were decided.

The heritage minister and the four other ministers who broke the rules all interfered with licence applications which the CRTC decides in order to create civil rights. In so doing, it is exactly the same as a court of law.

I continue and I conclude, because I have a time limit.

• (1335)

What we learned this morning is that despite all these declarations of respect for integrity, this cabinet also hid at least four other cases of violations of fundamental rules. I demand that these be followed up. I demand that we go beyond a simple ministerial statement which attempts to smooth things over. There must at least be an investigation by the ethics counsellor.

He should check all the files, make the rounds, meet the ministers who are at fault and the other ministers, because we are told that there might be more. The Prime Minister told us that there might be up to 100 cases. That is more cases than Cabinet ministers. So the ethics counsellor must investigate.

Secondly, the ethics counsellor should table in this House all the documents that he finds and be summoned before an appropriate parliamentary committee for a fundamental discussion, with witnesses, of an issue that affects the integrity not only of the government but of Canada's democratic institutions.

**Some hon. members:** Hear, hear.

[*English*]

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, at the outset I would like to say that I am very honoured and privileged to respond to the statement of the Prime Minister.

The way things work around here, different parties have a turn at being in government. We have had the Conservatives and Liberals over and over. I have to admit that sometimes when I look across I am overwhelmed at the magnitude of the responsibility ministers and the Prime Minister have. I sometimes wonder what we will be like when we get there.

We received a copy of the Prime Minister's statement only in an official language which does not happen to be my own. Except for a few paragraphs, most of my speech is going to be extemporaneous since I spent most of the time available to me getting it translated into the language I could understand. I hope you will bear with me, Mr. Speaker, if some of the points I make and develop are perhaps not as well developed as we are accustomed to on this side of the House.

The Prime Minister has spoken of the necessity for integrity, honesty and openness. He speaks of that not only today but has done so on a number of other occasions. I was never a member of a political party before I was elected here. One thing that drew me to the party to which I belong, the Reform Party, was that it stressed very strongly the concepts of integrity and honesty. I assure the House and the Prime Minister that his continually talking about integrity and honesty strikes a chord with the Canadian people because they want it and I want it.

The question here is not whether we want it. In the notes that I took I see his speech included talking about integrity and honesty. That is really not the debate. We already agree on that. However, the question is how to do it.

Without being disrespectful, what we have heard today is a longer answer to a question in Question Period without the nasty interruption of another question. We heard an explanation, trying to put oil on the waters and smooth them out. We are seeing massive damage control.

• (1340)

I would like to take a few minutes to get down to the basics of this issue. The question before us was triggered by a particular incident that has occupied the House for the last week. First we need to ask ourselves if we would be here debating this and would we be doing it in this way if it were not for this incident? Would the government be as eager to push forward this agenda if it had not been driven to it? Perhaps this is reactionary but we

need to get on with it. We need to make sure there is integrity in government.

We need to back up one step. One of the reasons the Canadian people and the opposition so strenuously object to what has happened is back one step further. It concerns the way government works.

We all recognize that in our system of government all of us as members of Parliament are essentially powerless to influence true decision making. On a number of occasions we have put motions which have made eminent good sense to anyone who stops to think about them. Yet to a person, all of the members in the government have voted the way their leadership and their party, including their ministers, have directed on an issue. I accept that as fact. That is what has been happening. I can observe that. I have come to that conclusion.

In the perception of the Canadian people, ministers are very powerful. Indeed they are. That is why one needs to object when a minister gives even the inkling that he is exercising that excessive power in order to influence matters on behalf of his constituents, a role that is not available to ordinary MPs in opposition or in government.

We need to ask the government what has happened here. The Prime Minister has correctly stated that just because one is a member of the cabinet one should not be disenfranchised as a member of Parliament. I agree with that principle. The cabinet minister, as a member of Parliament, must be able to represent his constituents in legitimate matters. It is the variation that is at question here.

This particular incident occurred when a minister made a statement on ministerial letterhead and because he is the minister overseeing that area it can properly be viewed as being undue influence.

The ethics code does not permit that. I was able to pull this out quickly from one of my files. I quote from the ethics package: "Public office holders shall act with honesty and uphold the highest ethical standards so that public confidence and trust in the integrity, objectivity and impartiality of government are conserved and enhanced".

That principle is violated when several people are contending for a licence and one has behind him the power of a ministerial letter and the other one has an ordinary MP representing him. Because it is in the same department I believe this is a violation of the principle and ought to result in more than just an apology and "let us try to do better". We need to go beyond that.

I also want to quote from the same document with respect to preferential treatment: "Public office holders shall not step out of their official roles to assist private entities or persons in their dealings with the government where this would result in preferential treatment to any person". In this case it is evident that this has happened. It is wrong and it needs to be corrected.

We also have the question of the ethics counsellor.

• (1345)

I hope the Prime Minister was honest, and I have no reason to question it, when he said: "We want to have not only the appearance of more integrity, but we actually want more integrity whether it is in appearance or not". I have no reason to doubt the authenticity of the minister's motivation there. I am in agreement with it.

I will not relate all of the details of what has been going on in the past few days, but when we have an ethics counsellor who is being consulted only in retrospect after decisions are made and then, so it appears, only to help put oil on the waters, that casts great doubt on the whole procedure. I think it is a violation of the principle to have an ethics counsellor be responsible to, take his directions from and answerable to the Prime Minister only.

I do agree that the Prime Minister needs all of the assistance he can get. I believe he needs to have counsellors in the area of ethics and certainly in the areas of operating this government. He needs all the help he can get but could we perhaps in addition have an ethics counsellor with the same order of independence and accountability to Parliament as, say, the Auditor General has in financial matters?

I think it would be eminently fair, very helpful to the Canadian people and would certainly help all of us in this place as members of Parliament to understand and believe the government if there were an independent inquiry, not pushed around by political interests but one which would be truly independent and respond openly and honestly with the assessment of what has happened, a recommendation of what should be done now in order to solve this situation, what we need to do, what rules we need to change, what legislation we need to bring in and what people we need in order to make it work better and more correctly.

I conclude by simply saying that this is a very, very unfortunate blight on this Parliament. It is an area where doubt is and has been cast on the government. We can only say that it is important for us as soon as possible, as cleanly as possible and as openly as possible to bring this to a conclusion and allow the minister to resign. Let us get this done the way it ought to be done and produce in the minds of people a genuine trust in the government.

# GOVERNMENT ORDERS

[*Translation*]

## CANADIAN ENVIRONMENTAL ASSESSMENT ACT

The House resumed consideration of the motion.

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, I will pick up from where I left off.

This is what some people who were involved and interested in the issue said at the time. However, all these representations, warnings and concerns proved to be of little help, since the current Minister of the Environment announced that legislation on October 6.

The amendments which are proposed by the minister and included in Bill C–56 do no change anything to the centralizing objectives of the federal government. The regulations made under old Bill C–13 are nothing to reassure those who want to invest in Quebec. Except for the construction of houses for non–migratory birds or field shelters, an almost endless number of projects could trigger a federal environmental assessment. The Minister of the Environment knows full well that the current Leader of the Opposition is not the one who drafted these regulations.

• (1350)

It is her government that decided to take control over Quebec's economic development by subjecting to a federal assessment projects of vital importance for our province, including mining development as well as the expansion of power plants and hydroelectric projects. The strategy used by the minister to that end is both very simple and very predictable.

The minister makes arrangements with a number of provinces to take control of fields where those provinces have not exercised their jurisdiction. She then signs an agreement with those provinces and there you have it: that agreement becomes just as valid for Quebec as it is for the other provinces. This is the automatic response of this centralizing government.

And the Liberals behave that way in other sectors as well. Since they took office, they have constantly introduced projects aimed at giving the federal more control over the provinces. The big federal machine is systematically trying to gain more control in every sector, in spite of its own problems and its serious functional and political deficiencies.

Members sitting on the other side are pleased. They keep singing each other's praises, they keep chanting "Long live the federal government; long live our strong centralizing government; long live the big federal machine". However, the other side of the coin is very depressing and raises serious concerns among people. And people are right to be worried. The federal government is like a steamroller levelling everything and jeopardizing vital entitlements. People fought to gain these rights and now they have to fight again to preserve them.

In fact, with their big boss who speaks of dignity and pride, their bread and butter supplier, the Liberals are driving a huge steamroller over the less affluent and middle–income taxpayers.

The provinces are also getting crushed under this huge steamroller. Naturally, the rich, the large corporations, the financiers, all those who are for centralizing to excess find pleasure in watching the steamroller do its job. It is a real shame, Mr. Speaker.

Small is beautiful and people first are concepts unknown to the people opposite. Yet, on the evening of October 25, 1993, these same people had promised us the moon. But getting back to the subject, let me quote them.

When they were in opposition, the Liberals opposite used to speak against the bill on the federal environmental assessment legislation. This will illustrate the striking transformation elected members undergo when they move across the way. It is tragi–comic.

Bach in those days, the present Liberal member for Winnipeg North Centre was saying: "We must ensure that the powers put in place are explicit enough to make it possible to develop environmental standards that can withstand provincial pressure. The government is not protecting Canadians, with this bill at least, against the aims of the provincial and federal governments. The people have been let down in so many ways already that, if we do it again, Parliament will score more poorly than ever".

That is what he thought of this bill passed by his government. It was no good then, but now it is OK.

The Liberal member for Eglinton—Lawrence, who still sits in this House, said on October 22, 1990, and I quote: "It is, in fact, legislation without teeth". [—]The key word was "redraft" and not make amendments that are going to provide acceptable frills to this bill but to alter completely the whole dimension of this bill. [—]One of those items refers to the fact that the compliance component of the bill certainly is very lacking. There is absolute indifference to the concept of making various jurisdictions of government comply, particularly when they set up their own review mechanisms".

Our colleague from Egmont, Prince Edward Island, was saying: "Bill C–78 does not meet the legislative requirements relating to environmental protection. Considering how important and urgently required this legislation is, we cannot be satisfied with such an ill–defined and toothless bill. This bill does not meet the expectations of Canadians nor those of the government's own environment and economy committee". It is so seriously flawed that it should be withdrawn or redrafted. But I am sure he will vote for this bill.

The Liberal member for Cape Breton Highlands—Canso said: "In addition, I have many concerns about the philosophy behind the bill and about the bill's effectiveness". As I listen to this debate, I am convinced the government should go back to the drawing board before it asks us to pass this bill. Many basic aspects of this measure should be rethought, and quite frankly, I must say the bill is far from perfect.

• (1355)

The Liberal member for Nepean went even further when she said: "Unfortunately, the weakness of the legislation before us makes for a sceptical public and questions the motives of us as legislators and the seriousness of the government's intent in enacting this resolution".

The current Secretary of State and Liberal member for Northumberland said, in referring to Bill C–78, and I quote: "Mr. Mulroney's government's latest environmental legislation is fundamentally flawed. Canada will return to the dark ages of environmental law if Bill C–78 passes in its present form".

The present Minister of Industry said in the House: "The heritage of Canadians is too important to be left only to the provinces. I do not see even a wish to acknowledge that it has the power to intervene in development projects which are going to be environmentally harmful. This bill is an inadequate response in the context of many events occurring in Canada".

One of his cabinet colleagues, the Minister of social program cuts, mentioned that his Liberal colleagues had been devastating in their criticism of the flaws of this bill. He said this measure would do no good at all. He hoped that someday, we would have a government that would be able to negotiate a new agreement, with responsibility shared by federal and provincial authorities. "I think that our own creative juices should be employed for finding out how we can share jurisdiction for environmental assessment", said the present minister. It is rather comical that at the time, this minister talked about sharing responsibility, when we consider the negative response from the provinces to his social security reform.

Finally, the first prize goes to our beloved Minister of Finance, and I will give you a few samples of what he said. "Bill C–78 is so flawed that it will weaken existing standards for environmental assessment. The bill is lacking in all respects."

"So we have a bill that died on the Order Paper and which the government, with its supreme arrogance and total lack of logic, now wants to resurrect, although the measure was unanimously rejected by Canadians. As unrealistic governments go, this one takes the cake. And if there is one government proving it, it surely is the present one with its attitude towards Bill C–78. First, this bill is based on a completely false assumption. But the government wants to hold fast to a vision developed in the 1850s and to continue to believe we can produce goods without worrying about waste and the frittering away of our resources, as if it had no importance whatsoever".

"Both the business representatives and the environmentalists heard in committee think this bill is unacceptable". "When we come to office in two years, I can assure you that no member will ask himself if the water he drinks is harmless. This bill will cause more problems than it will solve. It should go back to the drawing board."

We should not be astonished by the radical turnabouts of the Minister of Finance. He is the wind vane of the Liberals.

That is what some governement members were saying when they were on this side of the House. Should we believe they were all victims of the same phenomenon and all have to get a feeling of the wind, like the Minister of Finance, before making up their minds?

The most serious aspect of this sudden change of mind on the part of the Liberals is that the Minister of Environment now praises this bill and congratulates our leader for having initiated it in 1990. She says he is the father of the Canadian Environmental Assessment Act and pats him on the back every opportunity she gets whereas, at the time, the Liberals were certainly not patting him on the back, quite the contrary. They were strongly against this bill, as their statements on the subject show. That is typical of the Liberals. They are real weathercocks. No, worse than that, they are opportunists.

As far as this Bill C–56 is concerned, the federal minister wants to make sure that, as much as possible, only one environmental assessment will be made for each project. Of course, and again this is easy to anticipate, she will fall back on our leader to justify her bill, but we all know that the bill tabled by our leader in 1990 has been extensively amended and that—

[*English*]

**The Speaker:** It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[*English*]

### UNITED NATIONS

**Mr. Gar Knutson (Elgin—Norfolk, Lib.):** Mr. Speaker, 50 years ago last week the United Nations was formed. While there have been many changes to the form of the UN its basic goal has remained the same.

Together nations of goodwill can offer assistance and help in the peaceful resolution of conflicts. Peacekeeping is a Canadian invention and I am ever so proud to have eight members of the Elgin Regiment located in my riding going to war torn Bosnia to assist the civilians who are not war lords nor combatants but simple civilians caught in a crossfire.

Canada working through the UN has a long and distinguished history. The United Nations, while desperately needing rejuvenation, remains the world's best hope for conflict resolution.

I wish the young men from my riding who have chosen to wear the blue beret all of God's protection as they carry out this noble task.

* * *

[*Translation*]

## HIS EMINENCE JEAN–CLAUDE CARDINAL TURCOTTE

**Mr. Michel Daviault (Ahuntsic, BQ):** Mr. Speaker, it is an honour for the entire Catholic community of Quebec to learn today that the archbishop of Montreal, the Most Reverend Jean–Claude Turcotte, was named cardinal.

Monsignor Turcotte, third cardinal from Montreal in Quebec's history, is joining the Sacred College of cardinals responsible for electing a new pope when the Holy Father dies. Aged 58, Monsignor Turcotte will be able to influence the direction of the Church in Montreal and Quebec for many years to come.

The Bloc Quebecois wishes to congratulate warmly His Eminence Cardinal Turcotte. He will no doubt manage to convey to the higher levels of the Church's hierarchy the concerns and values of openness, mutual help and tolerance of Quebec society. Monsignor Turcotte's dedication to the poorest of the poor is widely recognized.

* * *

[*English*]

## HEALTH

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker since 1986 thousands of cattle in Great Britain have contracted what is commonly known as mad cow disease.

Mad cow disease has an incubation period of up to eight years and can be detected only in its advanced stages. There is no evidence that it can be spread by animal to animal contact, but to be safe Agriculture Canada started banning the importation of cattle from the U.K. in 1990.

Every year thousands of immigrants enter Canada without being screened for HIV. Although many years can pass before HIV carriers develop full blown AIDS, the virus is readily detectable by a cheap, effective blood test.

Is it not in the best interests of the immigrants themselves and their families, as well as the Canadian public, for them to know if they are carrying the deadly HIV virus?

In light of the vote taken two hours ago on Motion No. 285, it is now apparent that Agriculture Canada's concern for the health of Canadian cattle is greater than the health minister's concern for the health of the Canadian people.

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## ATLANTIC THEATRE FESTIVAL

**Mr. John Murphy (Annapolis Valley—Hants, Lib.):** Mr. Speaker, a new and exciting artistic event in Atlantic Canada is being prepared for launching in June 1995.

The town of Wolfville, Nova Scotia, in my riding of Annapolis Valley—Hants will be host to the newly created Atlantic Theatre Festival.

Recently I had the chance to attend a fundraising event for the festival. I am confident it will be of great cultural benefit to the region while providing tremendous social and economic spin-offs.

The successful organization of the festival is an example of what can be achieved when all levels of government and community interest groups work in co–operation to achieve a common goal.

I offer my congratulations to all those involved and in particular to Michael Bawtree, the festival's founder. I know their hard work and dedication will lead to great success.

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[*Translation*]

## PARLIAMENTARY INTERNS

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Mr. Speaker, welcome to our parliamentary interns. The Parliamentary Internship Program is in its 25th year.

[*English*]

I welcome all these new young people. They are bright, hard working, energetic and highly motivated. They have made and continue to make a tremendous contribution to all of us. We wish them well as they celebrate their 25th year of providing service.

I have said before and I would like to say again that I wish I were in a position where I could facilitate that each member of Parliament who wanted such a young man or young woman to work with him or her would be able to do so.

[*Translation*]

I want to congratulate everyone who has supported them.

[*English*]

The private sector especially deserves a great deal of credit because with the support of government and with the young people it has created a program that is among the finest in Canada and perhaps throughout the world.

I thank all these young men and women.

[*Translation*]

Thank you all, young people, for your assistance.

• (1405)

[*English*]

## QUALITY CONTROL

**Mr. Andrew Telegdi (Waterloo, Lib.):** Mr. Speaker, the Ottawa Valley chapter of the American Society for Quality Control is hosting its annual conference today at the Congress Centre in Ottawa.

The American Society for Quality Control is the largest quality control network in the world. The society is committed to promotion of total quality in the public and private sectors of our economy. The pursuit of total quality management will enhance Canada's national well–being and global competitiveness.

The session on total quality management in government will be held from 3 p.m. to 4 p.m. today. The federal sector is represented by Harry Swain, deputy minister of industry; the provincial sector by Premier Frank McKenna; and the municipal sector by Mayor Brian Turnbull. The fact that Brian Turnbull, the mayor of the city of Waterloo, is representing the municipal sector reflects the leadership that Waterloo has offered in the area of TQM at the municipal level.

As we strive to meet the deficit targets set by the finance minister, we must ensure that TQM is practised by all departments of the government.

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[*Translation*]

## MINISTER OF CANADIAN HERITAGE

**Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ):** Mr. Speaker, the Minister of Canadian Heritage is getting lost in studies, which all contradict one another.

Having commissioned a study on the financing of the Canadian Broadcasting Corporation from Nordicity Group Ltd., the minister, obviously unhappy with their recommendations, commissioned another study, from Omnia Communications this time, to conduct a critical analysis of the work done as part of the first one.

The second study found that the first one was based on concepts so outdated and assumptions so shaky that the results were inevitably invalid.

Perhaps the Minister of Canadian Heritage should have conducted the study himself to read into it whatever he wanted. It is outrageous to spend public funds this way. How much did these contradictory studies cost and how much will the next ones cost?

* * *

[*English*]

## REFUGEES

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, abuse of Canada's immigration system goes on unchecked by the government. In fact Ottawa is to blame for much of the abuse.

On September 9 a Fijian visitor with relatives in Vancouver armed with a refugee lawyer claimed refugee status in Canada. Officials did not know, however, that he needed kidney treatment that he could not get in Fiji.

He checked into St. Paul's hospital in Vancouver. Rather than being placed on a waiting list or being sent home for treatment, federal officials ordered the hospital to put the man at the top of the list for dialysis, despite the fact that six terminally ill Canadians were bumped from the list.

This is an outrage. The refugee system seems to work best for those who want to abuse it. In this case it could cost Canadian lives. I demand that the minister immediately intervene, tell his officials to reverse their decision, put the lives of Canadians first, and prevent those with terminal illnesses from coming to the country and claiming refugee status just to get medical treatment.

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## GOVERNOR GENERAL

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, Canada is evolving as a nation and it is time we reflect on our symbols of nationhood. Canadians want to be part of the process of deciding such a national figure as our head of state.

In cursory surveys I have conducted in public schools in Durham, I have discovered that few of our youth can identify the Governor General. This is partly because they or their parents have not participated in his selection.

Of twenty–four OECD countries only three appoint their heads of state and Canada is one of them. I note the election of the head of state would not require a constitutional amendment but could be done by convention. I suggest that we elect the Governor General at the time of a general election. As an interim step we could have the House vote on a short list prepared by the Prime Minister.

I believe this methodology would give the position of the Governor General more credibility and strength in our federation.

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## NEW DELHI

**Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, 10 years ago today over 3,000 innocent Sikhs, children, women and men, were killed in the streets of New Delhi. Unfortunately 10 years later no one has been convicted.

To ensure that justice is done and that such violent acts against innocent minorities are not repeated, on behalf of all Sikh temples in Ontario I urge fellow members to join with me to view a photo exhibition on the riots and human rights violations in the Punjab today in the Commonwealth Room immediately following question period.

I hope that through such efforts Canada can urge the Indian government to bring to justice the perpetrators of the New Delhi riots.

* * *

● (1410)

## HIBERNIA

**Hon. Roger Simmons (Burin—St. George's, Lib.):** Mr. Speaker, the rash decision by Hibernia management to transfer a large chunk of work from the Marystown shipyard to Saint John makes no sense and has to be reversed.

That was the message that a delegation from the Burin Peninsula and I conveyed this morning to my colleague, the Minister of Natural Resources. I thank her for undertaking to look into our concerns.

The proposed removal of work from Marystown has nothing to do with a lack of expertise, as suggested by my friend from Laurier—Sainte–Marie. On that one he is dead wrong, as I believe he now realizes.

The good news is that the Offshore Petroleum Board is going to review the Hibernia management decision. I am confident it will determine what I believe to be the case, namely that the whole affair has more to do with industry politics than it does with deadlines. The work can be just as quickly done at Marystown as it can be at Saint John and should be.

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[*Translation*]

## GREENHOUSE GASES

**Mr. Benoît Sauvageau (Terrebonne, BQ):** Mr. Speaker, at a recent conference of leaders in the natural gas industry, the Assistant Deputy Minister of Energy revealed the government's new strategy for reducing emissions of greenhouse gases. Instead of reducing Canadian emissions of greenhouse gases at the source, Canada is offering financial aid to reduce emissions in various developing countries.

Such a strategy sends a clear message to the industrialized countries that they do not have to act themselves to reduce their own emissions of polluting gases. This new strategy is nothing more or less than an admission of failure by this government, which refuses to put on the table and analyse all concrete measures to reduce the greenhouse effect in Canada, as it promised to do in 1992.

[*English*]

## MINISTER OF CANADIAN HERITAGE

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker:

A certain minister of the crown
Forgets the simple rule,
That requires him to step right down
If he has been a fool.

"As heritage minister, I hang my head,
I've made a little blunder,
Please just clarify the rules a bit
Don't tear my world asunder."

For what price do we all place
On friendship and loyalty,
In Liberal circles there is a space
For ministers who think they're royalty.

"Above the rules for mortal men,
No way will I resign,
Behaviour like this we see again,
Who cares if the backbenches whine."

"But when we sat across the floor
It was a different story,
Now that we sit upon this side
We act just like a Tory!"

* * *

## THE LATE CARL MCNEILL

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Mr. Speaker, today I was fortunate to take part in a presentation ceremony during which a cheque for $37,634.61 from the estate of Carl McNeill was presented to the Government of Canada.

Mr. McNeill was a 100–year old resident of my riding who was worried about the legacy of debt that had been left to the younger generation. Mr. McNeill left specific instructions in his will that the money be given to the federal government in order to pay off his share of the national debt to ensure a better future for others.

Walter and Marian MacDougald, long time friends and neighbours of Mr. NcNeill, presented the cheque to the Minister of Finance this morning. In addition to Mr. McNeill's donation to the government he also left a substantial amount of money to the University Hospital in London and the Salvation Army.

Carl McNeill set a tremendous example of the kind of patriotism and national loyalty for which all Canadians can strive. I thank him on behalf of all Canadians for his generosity and concern for our great country.

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[*Translation*]

## LIBERAL PARTY OF CANADA

**Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.):** Mr. Speaker, I am pleased to tell you that on the weekend I took part in a meeting of the General Council of the Liberal Party of Canada in Quebec City. Over 450 people from all regions of Quebec met there to celebrate the first anniversary of the Liberal government's election and to start to prepare their strategy for the coming referendum campaign in Quebec.

The participants had an opportunity to discuss such important issues as the reform of social programs with members of Parliament and took part in the finance minister's pre–budget consultation. At the end of this meeting, the party members were delighted with the visit from their leader, the Prime Minister of Canada, who had come to give them the signal to mobilize for the coming referendum. It was invigorating to see all these people, representing tens of thousands of party members in Quebec, meet to share their determination and their faith in a united Canada. Congratulations to the organizers and the participants who managed to make this great gathering a real celebration.

* * *

• (1415)

[*English*]

### ETHICS

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, the word is out. Government auditors are being asked to be more gentle and more mild. They are being asked to emphasize the good things in their reports and to tone down their criticisms. Why are they doing this, you ask. It is because the Access to Information Act now means that the people are actually getting to see these reports.

Could it be the Liberals are afraid of being exposed? Is this why the Prime Minister has appointed his own personal ethics lapdog adviser, for damage control instead of a real independent, answerable to Parliament ethics counsellor? Is this government just as afraid as the Conservatives were that the public will find out what is going on behind closed doors? Are the Liberals keeping their high standing in the polls only because they are hiding the facts?

It is high time that we get some real openness, real honesty, real accountability in government. Canadians are beginning to question whether it will come from this government.

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## ORAL QUESTION PERIOD

[*Translation*]

### ETHICS

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, in an unprecedented confession, the Prime Minister has admitted that four more ministers—I repeat four more—were guilty of interfering with the CRTC's decision–making process with respect to applications for licences.

Are we to understand that flying in the face of all precedents, the Prime Minister decided not to ask for the resignation of the Minister of Canadian Heritage because he realized he would have had to get rid of four other ministers as well who also tried to exert undue influence on the CRTC?



**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is not like that at all. In the case of the Minister of Canadian Heritage, I was advised at the beginning of the month, as I said before, and I made my decision at that time; if I had decided to ask for his resignation, I should have done so then and there. The other ministers gave me the information personally, on the weekend.

When I looked at the guidelines I gave all ministers in November when they accepted their appointment, as I explained in my speech earlier this afternoon, a very clear distinction was made. Communications with judges are forbidden; the guideline was quite clear in this respect. In the case of quasi–judicial bodies which themselves very often invite the views of all kinds of people before reaching a decision, we had a different rule. I asked the ethics counsellor to look into this and make some suggestions. I hope we will also receive some suggestions from members of the Opposition. I heard about the situation regarding the other ministers after I asked them to check their files.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, if the Prime Minister felt it was appropriate to remind his ministers that it was necessary to protect the independence of courts of law, why did he forget to mention that quasi–judicial bodies, which often hand down decisions that are similar in nature, are even more vulnerable to ministerial interference from their responsible ministers?

My question to the Prime Minister is this: This morning, he mentioned all kinds of figures. He even referred to five or even 10 or 100 cases, but that makes no difference. How could he give the impression that the mistake made by the Minister of Canadian Heritage was not as serious since at least four other ministers did the same thing? Does this mean that for him, frequency attenuates the seriousness of the act?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, in the case of the Minister of Canadian Heritage, I made it clear last week that when he was informed that it was interpreted as a supporting letter, although he as the minister did not want to support the application, he himself took the initiative of writing to the parties concerned and made it clear he did not intend to support any applications before the CRTC. We discussed that particular case because he was the Minister responsible for the CRTC.

In the case of the other ministers, they are not responsible for the CRTC but they are members who represented certain interests of their constituents. And that is the dilemma I want to resolve. I have asked Mr. Wilson to prepare some guidelines on the subject, and I hope there will be a debate in the House so that people can help us make the distinction, because in the case of the CRTC, they invite people to express their views before licences are issued. A constituent, his member and in fact members of all parties in this House made representations, and a few ministers, who also happen to be members made the same kind of representations. Perhaps we will have to find a different mechanism so that such members are able to act in the interests of their constituents without compromising their responsibilities as ministers.

• (1420)

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, if a minister is unable to make a distinction between his duties as a minister and his duties as a member, he deserves to be demoted to the rank of ordinary member.

**Some hon. members:** Hear, hear!

**Mr. Bouchard:** Mr. Speaker, I want to ask the Prime Minister whether he realizes that the mistake made by four other ministers as revealed this morning is a serious one. And in that case, does he not realize that what his Minister of Canadian Heritage did is even more serious, because, in addition to being a member of Cabinet, he is the Minister responsible for the CRTC and as such was supposed to protect the CRTC against undue interference from his four colleagues?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, in the case of the minister, he himself indicated that he did not intend to intervene to support the application. In any case, the letter did not indicate that he was going to do so but simply that he wanted to be kept informed of further developments.

As for the ministers who wrote, they did not write to the minister. They wrote a letter, which is now a public document, either to the secretary or the chairman of the CRTC. As soon as such documents are received by the commission, they are put in the public file, which any journalist or member of Parliament may check at any time. These were support letters like the 14,000 other support letters the CRTC has received with respect to applications during the past year.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Prime Minister seems to be making a distinction between a letter of support and any letter of representation. The letters sent by the colleagues of the minister of heritage are indeed letters of support, of direct interference in the affairs of the CRTC.

The Prime Minister had made a commitment to demand irreproachable conduct from his ministers and he even made it one of his priorities in the red book. Yet, he failed his first test miserably. He chose to forgive and forget without first consulting the ethics counsellor.

How can the Prime Minister, who claims to be concerned about integrity, explain to this House that he did not personally direct his ministers, as soon as they were sworn in, to consult the ethics counsellor before getting into trouble like the minister of heritage and other ministers?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the ministers are urged to consult the ethics counsellor, who was appointed only a few months ago. The guidelines we gave them were clear: No communications whatsoever with the judiciary. This prohibition has been in place for at least 15 years.

As for quasi–judicial bodies, they may be contacted in some circumstances but only through the appropriate authorities. So they did not address their letters to the minister but to the commission's secretary general, who does not make any decisions or rulings. I think that only one wrote directly to the chairman.

The Minister of Fisheries and Oceans wrote on behalf of a small francophone community in his riding that would like to receive French–language television. They are criticizing a member for representing people who want to preserve their language, French, in difficult circumstances, but I am of the opinion that the minister would have failed in his duty as a member had he not defended his French–speaking constituents.

**Some hon. members:** Hear, hear.

**Mr. Michel Gauthier (Roberval, BQ):** How nice, Mr. Speaker! The minister of heritage wrote the Chairman of the CRTC on behalf of a small community in his riding. Frankly, does the Prime Minister not admit that, as this whole affair clearly shows, the government ethics counsellor should be accountable not to his office but to the House of Commons, to ensure that he has some effectiveness, real power and a decisive role?

• (1425)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, among the duties of the ethics counsellor is the requirement to submit an annual report to the House of Commons. This is part of his duties, of the responsibilities assigned to him.

I am surprised to hear the tone of voice used by the Bloc Quebecois, whose parent company calls people in, humiliates them, makes them confess, forces them to change their political convictions or fires them because they are not separatists. It is worse than it ever was, even under Duplessis.

[*English*]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I listened carefully to the Prime Minister's statement this afternoon. He went to great lengths to compare the actions of members of Parliament to the actions of the member for Laval West with regard to their inquiries into the dealings of the CRTC. What the Prime Minister conveniently left out is that unlike these other parliamentarians, the Minister of Canadian Heritage is ultimately responsible for the CRTC. The Prime Minister is actually saying it is okay for ministers to lobby quasi–judicial bodies like the CRTC.

Why is the Prime Minister allowing this interference to continue without taking any action on the matter?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I said clearly last week that when the minister realized his letter asking to be kept informed was perceived as a matter

of recommendation, he wrote on his own to state clearly that he did not want his letter to be interpreted that way.

I said that his letter was an honest mistake on behalf of one of his constituents. I would have preferred that it had not been written, but I recognize that nobody is absolutely perfect.

I said that we needed better guidelines. The guidelines are very clear for ministers calling judges. It is completely and clearly described. You cannot do it. That rule has applied to all ministers for at least 10 or 15 years. In the case of quasi–judicial bodies, because they are different and relate to a lot of different cases, we gave more flexibility.

In the case of the CRTC, the CRTC invites people to write to it to give their opinion about who should or should not get a licence. The CRTC received 15,000 such letters last year, five from ministers.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I would not say it was an honest mistake. I would say it was a dumb mistake because the minister was in charge of the CRTC.

The Prime Minister's rhetoric this afternoon would hold more weight had he fired the Minister of Canadian Heritage before reworking the ministerial code of conduct. As it now stands the Prime Minister's actions smack of political expediency and desperation.

Will the Prime Minister appoint a truly independent ethics counsellor so that existing preferential rules will be followed and will not have to be revised every time one of his cabinet ministers gets into trouble?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I said earlier that the ethics counsellor reports to the House once a year.

There is a principle which is very clear in my mind: At the end of the day whatever advisers I have around me, whatever counsel I receive about a decision, I have to take the responsibility. I have taken the responsibility. When the minister realized he had made a mistake he tried to correct the mistake on his own.

**An hon. member:** Six months later.

**Mr. Chrétien (Saint–Maurice):** It was not six months after that. The problem was that he did not realize it had been construed like that until the end of September and he acted immediately. I said I would check the guidelines and I realized the guidelines needed improvement. I hope the hon. member will help us find the proper balance. It is the Reform Party which states that if members of Parliament do not do their jobs properly they should be recalled. This is great. They do not want members of Parliament who are ministers not to do their jobs as members of Parliament.

• (1430)

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, we are asking the Prime Minister to be responsible. He is responsible for his ministers and we are asking him to take that responsibility seriously and ask for the resignation.

The current guidelines for ministers are common sense. A minister should not be seen to be giving preferential treatment to his or her friends and should not use this influence for personal or political gain. It is as simple as that.

Will the Prime Minister put the brakes on a damage control machine, muzzle his strategist and do the honourable and responsible thing and demand the resignation of the minister of heritage?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, last week I said no and this week I repeat, no.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, my question is for the Prime Minister.

The Prime Minister was informed as early as October 1 of the mistake made by the Minister of Canadian Heritage and decided to forget about it and not seek the advice of his ethics counsellor, Mr. Howard Wilson. The government consulted Mr. Wilson only at the very last moment, that is last Thursday, when the minister's mistake became public knowledge.

Are we to understand that, on October 1, the Prime Minister had already decided to keep his heritage minister, without having consulted his ethics counsellor?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I can only repeat what I said last week, namely that I was informed of the issue, I examined it and I presumed that everyone concerned had been consulted before a recommendation was made to me by the Privy Council Office.

I assumed that Mr. Wilson had been consulted when, in fact, he had not. However, this does not change the nature of the decision. I then decided that, as the minister had himself taken action to correct the situation, and even though I was not pleased, he could continue to fulfill his role as minister. I told the truth last week when I said that I thought Mr. Wilson had been consulted even though this was not the case. I did talk to him on the phone afterwards and he agreed with me. At least, what he told me did not make me change my mind.

In any case, ultimately I am the one who is responsible. I cannot share that responsibility with anyone: I am the Prime Minister of Canada.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, we heard a version last week and in the version that he is giving now the Prime Minister says that he talked on the phone to Mr. Wilson.

What did Mr. Wilson say to the Prime Minister?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am sorry. I did not express myself clearly. I asked my staff—

**Some hon. members:** Oh, oh!

**Mr. Chrétien (Saint–Maurice):** I talked several times to Mr. Wilson since then. At that time, however, I asked my staff: "Did you phone?" They said: "No." I then replied: "Phone him".

When I rose in this House, my staff had provided me with information on Mr. Wilson's opinion. Later, over the weekend, I had an opportunity to talk to him and discuss how to proceed in the future. This is what we did.

**Mr. Bouchard:** He is contradicting himself!

**Mr. Chrétien (Saint–Maurice):** No, I am not contradicting myself at all. I said that I talked to Mr. Wilson over the weekend. And when I rose in this House, as I said last week, I had asked—

**Mr. Bouchard:** You are confused!

**Mr. Chrétien (Saint–Maurice):** If you listen you will not be confused.

So, Mr. Wilson's opinion was given to me, and it was to the effect that this was acceptable.

* * *

[*English*]

## CRTC

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question is for the Prime Minister.

My office learned in discussions this morning with the secretary general of the CRTC, and I quote Mr. Darling: "The commissioners on the subcommittee may have been influenced by the minister's letter".

When the Prime Minister decided to support the actions of the Minister of Canadian Heritage was he aware that the secretary general of the CRTC believed that the minister's letter may have influenced the process?

• (1435)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, probably not in this case because the application was denied.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, that answer is obvious because this whole process has been tainted. They had no other choice.

The Prime Minister even today has used the minister's second letter of September 30 as a defence that there was no intervention and that nothing was done wrong. We also know now why this second letter was missing from the CRTC file.

The secretary general of the CRTC says that the second letter was never put in the file because it came too late to be considered by the CRTC. This means that when the CRTC made its decision it was always under the impression that the minister had intervened and it remained so.

Given this new information, how can the Prime Minister possibly continue to defend the integrity of his minister?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, that is proof that the first letter had no effect at all.

* * *

[*Translation*]

## ETHICS

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, last week, the Prime Minister said that he had consulted the ethics counsellor. Last Friday, we learned that the ethics counsellor was only consulted on Thursday morning, only a few minutes or a couple of hours before the speech by the Minister of Canadian Heritage.

Today we are told that the Prime Minister talked to his ethics counsellor, then the Prime Minister claimed that he did not express himself well and that, in fact, he had not talked to the ethics counsellor. If I understand correctly, the Prime Minister's advisors talked to the ethics counsellor.

I would like to know what the Prime Minister's advisors told him of the discussion they had with the ethics counsellor. Have I made myself clear enough?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, what I said is that my office contacted the ethics counsellor. When I arrived in the House of Commons, we had the ethics counsellor's advice. This is what I said.

His advice was given to me personally, and I said in this House that there were no grounds in the opinion he gave to make me change my mind. Over the week–end, I had the opportunity to talk with the ethics counsellor about what we should be doing in the future.

To avoid further controversy, for the time being, the ministers will have to send their recommendations to the ethics counsellor who will decide whether or not it is appropriate to send them to the various agencies concerned, while keeping in mind that every minister is also the elected representative of around 100,000 citizens.

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, the Prime Minister said earlier that the ethics counsellor agreed with him, and then stopped. Since he did not really agree, I presume—we have to guess—the Prime Minister added: There were no grounds in the opinion he gave to make me change my mind.

It might be because his opinion was different from that of the Prime Minister. We must be able to form our own opinion and the only way we can do so is for the Prime Minister to tell us,

today, what was the message he received from his ethics counsellor.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I assumed full responsibility for the decision and I have nothing to add. I decided that the minister had corrected the situation as best he could at the end of September or the beginning of October, I accepted his explanations and I chose to keep him in the Cabinet.

This is my responsibility, not the responsibility of any counsellor in the government. I cannot share that responsibility with anyone.

* * *

[*English*]

## CRTC

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, this rhetoric about restoring integrity to government is beginning to sound a little hollow.

Perhaps this government is taking a page out of Mackenzie's book when he wrote: "Integrity is necessary but not necessarily integrity". The Prime Minister said, the red book proclaims, and all the Liberal candidates were talking about it, "open government will be the watchword of the Liberal program".

• (1440)

If the Prime Minister really believes in and is promoting an open government, why did he not inform this House when he first became aware of the heritage minister's letter to the CRTC?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I did not feel it was necessary. The letter was a public letter. The letter was in a file that everybody could consult. There was nothing secret about it. You could go and check this application. The minister's letter was the same as that of anybody else who had written representations in the same file. The CRTC welcomes opinion from citizens. The letter from the minister was with the pile of letters that were in the file. It was a public document. I did not feel I was obliged to reveal anything that in theory was known by the public.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, we are observing here a tennis or ping pong game, back and forth, of responsibility. No one is willing to accept it. The minister does something and does not accept responsibility. The Prime Minister has a responsibility and he is not accepting it.

How is this Prime Ministerial responsibility defined? What are the responsibilities? Where does the buck stop? Are we going to get it there or there?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am have been saying for five days that the buck is stopping here. Right here. That is all.

[*Translation*]

## ETHICS

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, what is going on here is extremely serious. We heard from the Prime Minister himself that there is profound disagreement between him and his ethics counsellor.

Would the Prime Minister tell us what recommendation the ethics counsellor has made to him in relation to the actions of the Canadian heritage minister?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, those are communications between the ethics counsellor and myself. I said in this House that he told me nothing that could influence me to change the decision I had taken previously.

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, are we to understand from the answer, or rather the lack of answer, from the Prime Minister that the ethics counsellor did advise him either to ask for the Canadian heritage minister's resignation or to force him to leave Cabinet?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I just said that nothing he told me would lead me to change my mind. The responsibility belongs to the Prime Minister in any case, and no matter what advice is given to the Prime Minister, he is the one who decides and in this case he did take his responsibilities.

[*English*]

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, last week the Prime Minister said that initially he had contacted the ethics councillor. Then he changed his story and said that someone on his staff had contacted the ethics counsellor but only at the last moment.

Can the Prime Minister tell us who exactly contacted the ethics counsellor and will he provide the House with a transcript of those conversations?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we are not taping conversations. There is no tape of any conversation.

I said last week that the commissioner had been consulted. He has been consulted. That is all and I made the decision. That is what I told you last week. It is what I am telling you today and it is what I will say next week if you ask me a question.

• (1445)

**The Speaker:** My colleagues, I would ask you once again please to direct all your comments through the Chair.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, I guess it is kind of like the ethics guidelines themselves. They are not written down either.

I listened to the Prime Minister's statement this afternoon very carefully but found nothing in it to assure Canadians that this will not happen again. The ethics lapdog is still subject to the whims of the Prime Minister's office.

Will the Prime Minister now do what he should have done in his statement and replace the current ethics counsellor with an independent one responsible to Parliament and not the Prime Minister's office?

**Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor will make a report to the House of Commons once a year but there is a reality. The only person responsible to the nation for the ministers cannot be anybody but the Prime Minister of Canada.

I want to tell the hon. member that I will never run away from my responsibilities. I am responsible for the integrity of the cabinet and I will take all the steps necessary to make sure that there is integrity.

All of us have a problem. We have to make sure that ministers can at the same time respect the commitment they have made at the time of their election to represent their constituents well while they are ministers. This is the problem we are debating at this time.

I want to have the views of members of Parliament on this issue. We cannot deny the people living in the riding of a minister adequate representation here in Ottawa as these ministers promised when they sought their support at the time of the election.

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## TAXATION

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, my question is for the Minister of National Revenue.

Canadians who pay their taxes are justifiably concerned when they hear about Canadians who are able to escape taxation either through the underground economy or loopholes of one sort or another.

What is the Minister of National Revenue doing right now about Canadians who it appears do not pay their fair share of taxes?

**Hon. David Anderson (Minister of National Revenue, Lib.):** Mr. Speaker, I can assure the hon. member we have responded dramatically with respect to the underground economy and those Canadians who do not pay their fair share of taxes because they evade the existing tax system.

On Friday last I signed an agreement with the province of Ontario, the largest single provincial economy, to combine our efforts against the underground economy. We have done this with seven other provinces. We have new agreements with virtually all the business and professional associations so we can better combat the underground economy.

As a result of these measures we have pulled in many hundreds of millions of dollars in new tax revenue which was not expected by the previous government.

I can assure you also, Mr. Speaker, that because of the success of the 1,200 auditors we have put into this area we will be redoubling our efforts in this regard.

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[*Translation*]

## ETHICS

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, my question is for the Prime Minister. The Prime Minister systematically refuses to tell us the ethics counsellor's opinion, as transmitted to him by his officials.

Is it not true that the ethics counsellor gave a different opinion from that of the Prime Minister?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have said several times that the counsellor's opinion was transmitted to me and that nothing forced me to change my mind.

In any case, whatever opinion he could have given me, the ultimate responsibility lies with the Prime Minister. I took my responsibilities because the minister had acted as quickly as possible in a situation which, in my opinion, was not fatal, because he had not made any recommendation.

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, what exactly did the ethics counsellor say?

• (1450)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor always tells the Prime Minister that the latter must take his responsibilities, which he did.

[*English*]

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, my question is for the Prime Minister.

On October 27 the Minister of Canadian Heritage stated he was approached by a constituent, and I quote from *Hansard*, page 7273:

> —to write a letter drawing the attention of the CRTC to his application for a radio licence.

The constituent, Mr. Daniilidis, has stated in conversations with Reform Party research staff that he never asked the minister to write a letter on his behalf.

Can the Prime Minister explain this contradiction?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, he certainly went to visit the minister. Perhaps they discussed the weather. Perhaps they discussed the application, and the minister wrote a letter asking for information on this file.

I was not there. I was not privy to the conversation. However I know the minister was visited by his constituent and that lead to the letter that is the object of this discussion.

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, the Prime Minister then is suggesting that the constituent in fact did ask for a letter. That is very difficult to understand.

Will the Prime Minister initiate a private and independent investigation into this whole affair so we can finally get to the bottom of it?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is a public document. The hon. member should just go to the CRTC and look at the file. It is public. We do not need an investigation.

It looks like the research group of the Reform Party is not very good.

[*Translation*]

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, the Prime Minister refuses to inform the House on the exact content of the recommendation of the ethics counsellor. Since this is an issue of integrity and public ethics, will the Prime Minister admit that it is now in the public domain?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Of course, Mr. Speaker. It is in the newspapers and in *Hansard.*

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, does the Prime Minister not realize that he jeopardizes his own integrity by hiding the content of that conversation and does he not realize that he should reveal the facts as he knows them?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am sorry but the Leader of the Opposition said earlier that he did not question the integrity of the Prime Minister and I said that the issue was in the public domain. We have discussed that. The letter was written by the minister and has been made public. The second letter that was sent has also been published. I have tabled that letter in the House of Commons and the minister has explained the situation to the House. How could we possibly be more open? The counsellors advise the Prime Minister; the advice they give me is for me alone, they are not for the public; I am the one who must make the decision.

[*English*]

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, the Prime Minister said today that the minister of heritage's letter did not influence the CRTC but on the other hand the secretary general of the CRTC stated that it may have interfered with their decision.

How does the Prime Minister explain this discrepancy?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it had a lot of influence. The application was denied. The minister did not recommend but if you claim he did, his letter was not of great weight because the applicant did not receive the green light from the CRTC.

I do not know why you can make an argument like that.

• (1455)

**The Speaker:** I would once again ask you to please address all of your comments to the Chair. It makes it a lot easier for us.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, this whole situation surely is a comedy of errors. A minister of the crown has obviously breached the public trust and the Prime Minister gives him a Laurel and Hardy handshake.

Given that the Prime Minister will not make public what the ethics counsellor advised, how do we know there is not a discrepancy here as well?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I explained 10 times that the ethics counsellor gave advice to the Prime Minister and other advisers. The Prime Minister cannot get up in the House and say: "I made that decision, but it is not my fault; it is the fault of my advisers." Everyone will laugh.

At the end of the day the Prime Minister is responsible and he is the one who decides. That is exactly what I have done. Nobody can accuse me of running away from my responsibilities. I do not want to blame anybody else. I take full responsibility.

* * *

[*Translation*]

## SOCIAL PROGRAM REFORM

**Mr. David Berger (Saint-Henri—Westmount, Lib.):** Mr. Speaker, my question is for the Minister of Human Resources Development.

The minister said that the eligibility criteria for the Program for Older Worker Adjustment are in part arbitrary. An older worker in need will only receive benefits if he was laid off along with several other workers. Under some circumstances, it could be along with a hundred other workers or so.

Does the minister intend to address the needs of the older workers within his social reform?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I would like to thank the member for the question.

As the member knows because he read the paper, there are at least four or five references to the way in which we would like to improve the programs for older workers. Unfortunately some people in the House have not read the document as yet and therefore are not fully aware of the proposals that have been made.

Furthermore, we have established in New Brunswick a job core program which is specifically designed as a strategic initiative to deal with the problem of older workers. Evaluating that project will determine whether it has application across the country, providing for a major area of redevelopment for older workers.

In reference to the specific proposal made by the hon. member, I can report to him that applications made by about 75 per cent of all laid off workers who apply in the province of Quebec under the pilot program are accepted, which is the highest level of acceptance anywhere in the country. Last year we had bought close to $200 million worth of annuities for older workers of Quebec.

It shows that the program is working effectively. As it is a federal–provincial program and we need the co–operation of the provincial government, it is going to be very important that we have the co–operation of the Quebec government to assist us in social reform, so we can have a much better older workers program.

* * *

[*Translation*]

## ETHICS

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the Prime Minister will remember that, before appointing the ethics counsellor, he consulted with the leaders of all the parties represented in this House and requested their unanimous consent before making this appointment.

In this context, does he not realize that the advice of the ethics counsellor is not for his sole benefit, but for that of the House as a whole and, as such, is of the public domain? I would therefore ask him to show the transparency expected of him and tell us what the ethics counsellor, being the provider of enlightened and public advice that he is, suggested he should do in such cases.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I consulted the Leader of the Official Opposition and the Leader of the Reform Party before appointing Mr. Wilson, to give them the assurance that he would fulfil his duties properly. His job is to advise the Prime Minister and the ministers, in their capacity as ministers, as well as members of Parliament, lobbyists and anyone in a situation of conflict of interest. When he advises me on how to run Cabinet, it is to help me make a decision as Prime Minister. He is an honourable man and, I repeat, when his opinion was reported to me, it did not make me change my opinion. I am pleased that the hon. member reminded the House of Commons that, before his appointment, the Leader of the Opposition and the Leader of the Reform Party, considered he was a man of sound judgement and integrity and that he had done his job well.

• (1500)

**Some hon. members:** Hear, hear.

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# ROUTINE PROCEEDINGS

[*Translation*]

## GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** 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.

* * *

[*English*]

## CONFERENCE ON INTERNATIONAL CIVIL AVIATION

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I would like to bring to the attention of hon. members that November 1 marks the 50th anniversary of the opening of the Conference on International Civil Aviation to be held at Chicago, Illinois.

It was 50 years ago tomorrow that representatives from 52 countries, including Canada, met to map the future of international civil aviation. Their deliberations led to the signing on December 7, 1944 of the multilateral convention on international civil aviation and the eventual selection of Montreal as headquarters for the newly created International Civil Aviation Organization.

[*Translation*]

The International Civil Aviation Organization is a United Nations specialized agency responsible for establishing international standards, recommended practices and procedures covering the technical, economic and legal aspects of international civil aviation operations. The organization's membership is made up of 183 contracting states.

November 1st is not only a proud day in the history of civil aviation; it is also a proud day for Canada. The International Civil Aviation Organization is the only UN agency with headquarters in Canada.

We were chosen as the home for this important agency because of our instrumental role at the Chicago Conference. Canada continues in its leadership role in civil aviation and remains a strong supporter of the International Civil Aviation Organization.

[*English*]

We salute those who gathered at Chicago five decades ago in the closing days of the second world war. In particular, I would

like to recognize three distinguished Canadians who took part in those deliberations and who are still with us today.

Former Ambassador Escott Reid helped draft the conference documents. He now lives near Toronto.

[*Translation*]

Mr. Jean Fournier, the youngest of the Canadian delegates to the Chicago Conference, now lives in Montreal.

[*English*]

Mr. Stanislav Krejcik was a member of the Czechoslovakian delegation. He is now a Canadian citizen living in the province of Alberta.

[*Translation*]

Canadians know firsthand the paramount importance that safe, regular, efficient and economical air transportation plays in building communities, and in contributing to development and economic well–being. We are grateful to the International Civil Aviation Organization for helping to ensure the safety and security of air transportation worldwide.

• (1505)

Commemorative activities, including flag raisings at airports across the country, will mark tomorrow's anniversary of the opening of the Chicago conference. And in December, in Montreal, we will hold celebrations marking the signing of the Convention on International Civil Aviation.

[*English*]

It can only be hoped that the same spirit of mutual understanding and co–operation that has made the International Civil Aviation Organization so successful for over 50 years will continue.

[*Translation*]

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, I am pleased to speak on the occasion of the 50th anniversary of the International Civil Aviation Organization, commonly known as the ICAO.

Quebecers are particularly proud that this important UN organization chose Montreal and the Province of Quebec for their administrative headquarters in 1944.

In 1944, air transport was marginal with only 9 million passengers. Flying has now become a vital means of transportation for the global economy. Every year, over 1.2 billion passengers fly in total safety. Air transport remains the safest means of transportation, an achievement we owe in large part to the ICAO. I wish to let this organization know how grateful I am for this.

Nobody can predict what flying will be like in 50 years. The number of passengers will certainly continue to increase, and technological progress will bring dramatic changes to this mode of transport. I am convinced that the ICAO will be up to the challenges of tomorrow, just as it was able to meet those of the past.

The ICAO is a perfect example of what sovereign nations around the globe can do when they co–operate. Through the ICAO, 183 member states managed to put in place a safe air transport system for their people. It is a major achievement.

Given the importance of flying as today's and tomorrow's mode of transport, it is more critical than ever to ensure its safety. Collaboration and co–operation among the member states will remain paramount.

In closing, I want to thank and congratulate all those who contributed to the creation and development of the ICAO in the first 50 years of its existence. I would like to extend to this organization my best wishes for continued success in the next 50 years.

[*English*]

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, I want to rise today to thank the hon. Minister of Transport for bringing the 50th anniversary of the opening of the Conference on International Civil Aviation to the attention of this House.

In the absence of our critic for transport, the member for Kootenay West—Revelstoke, I too would like to extend the best wishes of my party to former Ambassador Reid, Monsieur Jean Fournier, and Mr. Stanislav Krejcik.

We as Canadians can be proud of the fact that the International Civil Aviation Organization is located in Montreal. We should never take for granted the high esteem in which our country is held in these matters.

International Civil Aviation Organization standards, more commonly known as ICAO standards, affect safety and security standards even at airports serving many of our smaller communities. These same airports are now in the process of being transferred from the federal government to local authorities and in some cases even to private operations. I hope the minister will ensure that reasonable standards are maintained both at privatized airports and in the potentially privatized air navigation system, while also ensuring that the system does not become overly regulated with bureaucratic policies.

I am sure that ICAO will continue to lead the way to ensuring safe international standards throughout the aviation world and that other organizations, both governmental and private, will recognize the need and capabilities of countries to work together to resolve items of conflict in other areas.

• (1510)

On a personal note, all of us in this House, especially those of us from ridings that are basically only accessible by air realize the importance of safe air travel.

I wish to congratulate the International Civil Aviation Organization for its fine work on behalf of all of us. I wish it well in the future.

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## COMMITTEES OF THE HOUSE

### CANADA'S DEFENCE POLICY

**Hon. William Rompkey (Labrador, Lib.):** Mr. Speaker, I have the honour to present to the House in both official languages the report of the special joint committee of the House of Commons and the Senate on the review of Canada's defence policy.

This is the first comprehensive parliamentary review of defence policy in the history of Canada. Here we present our conclusions on the principles, purposes and objectives that should guide Canada in setting defence policy.

We believe the Canadian Armed Forces is a national institution we can all be proud of because of its past record. As well, it is of vital importance in the future to Canada's position as a world trading nation given our strong interests in peace and stability.

We have made recommendation to shape a defence policy that reflects the balance between what Canadians would like to do and what we can afford.

I would like to thank the close to 300 witnesses who appeared before us over the last seven months and those who sent us briefs and suggestions. I also want to thank those members of Parliament of all parties who worked so diligently and so co–operatively to produce this report. There was a great deal of consensus among us and I am confident this report will stand the test of time.

[*Translation*]

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, to continue what the hon. member just said, I would add that the Bloc Quebecois also participated in this review of defence policy and the Bloc submitted a dissenting report on some points, which is in the same book.

[*English*]

**Mr. Rompkey:** Mr. Speaker, on a point of order, I wonder if we could seek the unanimous consent of the House to hear representation from the Reform Party on the special joint committee report by the member for Saanich—Gulf Islands.

**The Acting Speaker (Mr. Kilger):** The House has heard the terms of the proposal of the hon. member for Labrador. Is there unanimous consent?

**Some hon. members:** Agreed.

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Mr. Speaker, my Reform colleague and I being new to Parliament had not previously participated in any parliamentary committees.

We consider it a great privilege and also a lot of work to proceed with this study. It is my impression that the members of the committee were very apolitical in the approach to the studies that we conducted.

As the member for Labrador has said, we heard from witnesses from Victoria to St. John's and from NATO to Zagreb. The results of our study are that we have taken into account the defence needs of Canada. We have tried to reconcile that with the fiscal responsibility that we have to abide by. I am hoping that the outcome will find favour with most people.

Those who are looking for a revolutionary report will be disappointed. However I think when they look at the report and examine it, they will find that it is logical, it is common sense and it will support Canada in our defence needs through the beginning of the next century.

* * *

[*Translation*]

## PETITIONS

### POSTAL SERVICE

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, on behalf of the municipal council of Plessisville, I am pleased to present a petition with 60 signatures.

• (1515)

The petitioners want the Canadian government to inform the municipal council of Plessisville before procedural changes that would affect the local employment level are made. Also, these petitioners ask that equitable home mail delivery service be maintained for all residents of Plessisville.

The residents of Gérin–Lajoie, Trudel and Dupont streets must be treated fairly. They are not second–class citizens and are therefore entitled to the same postal service as other residents of the town.

I am pleased to support these users of the postal service and Mayor Jacques Martineau of Plessiville, in the riding of Frontenac.

[*English*]

### HUMAN RIGHTS

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I rise to present a petition from constituents in the communities of Cache Creek, Ashcroft, Clinton, Spences Bridge and Hanceville, British Columbia.

My constituents call upon the government not to amend the Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality.

They also call upon the government not to amend the Canadian Human Rights Act to include sexual orientation in the prohibited grounds of discrimination.

I concur with these petitioners.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, it is my pleasure to rise today to present to Parliament two separate petitions signed by constituents in my riding of Red Deer.

With respect to the first petition the citizens express their disapproval to the government regarding any privileges extended to same sex relationships.

The petitioners humbly pray and request that Parliament not amend human rights code, the Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships.

ASSISTED SUICIDE

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, with regard to the second petition, the citizens express their sentiments and great concern with respect to the aiding or abetting of suicide, active or passive euthanasia.

Therefore, the petitioners humbly pray and request that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously.

SENIORS

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Mr. Speaker, I have a petition from seniors in my riding who point out that much of what we have in Canada today is in great part as the result of their sacrifices and what they have contributed to society.

They point out that they are growing in numbers. As they grow in numbers programs such as health and pensions et cetera will be under additional stress. They want to accentuate the fact that they need comfortable housing, social and community involvement, as well as affordable medical care.

These petitioners on behalf of seniors want to underline that whenever governments are changing programs or making any decisions, they should keep in mind the contribution seniors have made to this country.

ASSISTED SUICIDE

**Mr. David Iftody (Provencher, Lib.):** Mr. Speaker, I rise today on behalf of my constituents in Provencher to present two petitions. The first is from the Ukrainian Catholic Women's League.

They respectfully pray that Parliament continue to reject euthanasia and physician assisted suicide in Canada and that the present provisions of section 241 of the Criminal Code of Canada which forbids the counselling, procuring, aiding or abetting of a person to commit suicide be enforced vigorously and that Parliament consider expanding palliative care that would be accessible to all dying persons in Canada.

HUMAN RIGHTS

**Mr. David Iftody (Provencher, Lib.):** Mr. Speaker, the second petition is on behalf of a church in Steinbach, a community I represent.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

CRIMINAL CODE

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, I have two petitions. The first calls upon Parliament to recognize the public threat of dangerous offenders and to amend the Criminal Code to have such offenders detained indefinitely at warrant expiry when it is believed that they may cause serious physical, psychological harm or death to another person.

This petition is signed by people from all across southern Ontario.

RIGHTS OF THE UNBORN

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, the second petition has to do with the sanctity of life.

The petitioners call upon Parliament to act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

• (1520)

HUMAN RIGHTS

**Mrs. Carolyn Parrish (Mississauga West, Lib.):** Mr. Speaker, I would like to present two petitions, the first one on behalf of Dr. Eron Horton and Glen Reist of the Mississauga Gospel Temple in my riding. The second one was given to me by Dr. Lester Laird, also a constituent in my riding.

The petitioners request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval for same sex relationships or homosexuality.

* * *

## QUESTIONS ON THE ORDER PAPER

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

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

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## CANADIAN ENVIRONMENTAL ASSESSMENT ACT

The House resumed consideration of the motion that Bill C–56, an act to amend the Canadian Environmental Assessment Act, be read the second time and referred to a committee.

**The Acting Speaker (Mr. Kilger):** Prior to resuming debate I wish to inform the House that pursuant to Standing Order 33(2)(b) because of the two ministerial statements Government Orders will be extended by 53 minutes.

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, I am pleased to have the opportunity to speak on this bill today.

As a member of Parliament and Reform critic for the environment I am pleased to be able to serve as a check on government legislation to be assured that it is in the best interest of all Canadians and to ensure the continued protection of our environment.

As opposition critic it is not my intention to simply criticize for the sake of being critical. I will support legislation that is in the best interest of the environment and ensure this government is taking the proper steps toward protecting the environment with a fair balance between the economy and the environment. However if these factors are not taken into account I will oppose the initiative and offer constructive criticism.

During the first year of this 35th Parliament the government has been slow to move on many issues, including the environment. There has been of late a lot of talk and grandstanding but not a great deal of action.

I am pleased with the direction of this bill. It is a good start. However there is a great deal of work to be done in the area of environmental assessment. To summarize we need to be proactive and not reactive in our approach to the environment. Rather than cleaning up our mistakes after the fact we must take steps to prevent environmental damage before it occurs. We must get out of the wait and see what happens approach and begin to look into the future to make constructive and bold moves now.

As members of Parliament we must lead by example and do all that we can to protect what is vitally important to the future of Canadians, our own environment. We must ensure that the environment that we leave to our children is as good or in better condition than that which we inherited.

Many will recognize that this is the Brundtland definition of sustainable development and in my view this is the direction in which we should be heading. We must protect our land and our resources to ensure that our children have clean water, sustainable forests and unpolluted crop land. We need to ensure that when we build a bridge, a hydroelectric plant or a landfill that it does not harm the environment, that it does not affect our air, our waterways or our lands.

One way to ensure that projects are safe for the environment is to systematically identify potential environmental consequences of projects before they are started. Unwanted environmental impacts on people, their way of life and their livelihood must be minimized. Environmental assessment attempts to predict the effects of potential environmental proposals prior to their becoming a reality.

To give some historical perspective, I would like to give some background on the Canadian Environmental Assessment Act. The federal government has used environmental assessment since 1974 to predict the potential effects of proposed projects under federal government jurisdiction. Previous federal guidelines under the environmental assessment and review process had been drafted originally as guidelines. These guidelines were only recently elevated to the status of federal regulation.

• (1525)

The federal role in environmental assessment has only recently expanded to assess projects that have been approved by provincial governments taking place on provincial lands. Under the Canadian Environmental Assessment Act, assessments are applied to all proposals involving federal money, land or responsibility, projects for which the federal government holds decision making authority. Federal Court of Appeal decisions on the Rafferty–Alameda dam in Saskatchewan and on the Oldman River in Alberta confirmed this point.

When a provincial assessment has been conducted, every project, decision or responsibility requires an environmental assessment where some federal concerns have not been dealt with or where the federal and provincial processes are not on an equal footing.

Recently we have seen a number of projects challenged on the grounds that they involve federal jurisdiction. There are currently four types of environmental assessment to address different projects and circumstances. These four types, as the minister stated earlier, include screening, comprehensive study, mediation and review by an independent panel.

The first two, screening and comprehensive study, are the most preliminary and account for approximately 30,000 assessments per year or 99 per cent of all federal projects assessed. Screening is usually applied to small scale projects that are quite straightforward. Comprehensive study is usually applied to larger scale, environmentally sensitive projects.

Mediation is the third type and is a voluntary approach to environmental assessment by which an impartial mediator is appointed by the environment minister to help parties resolve issues surrounding projects. It is only used when interested parties are few and consensus is possible.

Finally, when a project requires further evaluation it is referred to the Minister of the Environment for review by an independent public panel. This is the highest form of review. It is usually applied to contentious projects. It is the type we read about in the newspapers. It is important for us to note here that these contentious projects amount to less than 1 per cent of the total projects assessed.

These four different evaluation processes provide a range of assessments to meet different project needs. However, what is a cause for concern is the fact that it is up to the discretion of the Minister of the Environment whether he or she may call a public review. What about the other side? What if the minister does not call for a review when there is pressure to call for one? There appears to be a fair amount of discretion regarding the minister's option to simply ignore or postpone a review.

I have concerns regarding the amount of ministerial discretion allowed in the Canadian Environmental Assessment Act. For example, the minister may or may not call for a review. The minister appoints the mediator or panel members. The minister may allow another federal process to be substituted for an environmental review and, finally, rather than hire an impartial person to fill the head position of the new agency created by the act, the minister fills this position through appointment, another potential source of patronage.

Another concern I have is how this bill will apply to First Nations. I trust the government will have the common sense to ensure that our environmental assessment laws are applicable to all in Canada, to all Canadians. Whether or not this will be the case is presently unclear.

It appears that First Nations may be exempt from this law as it is unclear where native self–government fits into this legislation. We cannot have one set of standards for most of the country and another set for the remainder. What occurs in one area of the country impacts all Canadians. The laws should protect all equally.

By removing First Nations from federal jurisdiction in environmental assessment we are doing not only a disservice to the natives but a disservice to all Canadians, present and future generations.

Up to this point I have been talking about Canadian environment assessment as a whole. Bill C–56 deals more specifically with three proposed amendments to the act. I would now like to deal with each in turn.

The first amendment proposed in this bill is to amend the act so that intervener funding for public participation in the review process is guaranteed. I support this amendment as it encourages increased public participation.

• (1530)

The Reform Party strongly encourages public involvement in government decision making as this allows the opportunity for the public to have direct input into environmental decisions affecting their lives. However this amendment must be more clearly defined as funding is not detailed in the bill. It is my view that funds should come from existing environmental department budgets and that the budget should not be expanded simply to satisfy the amendment.

This type of funding can easily be subject to abuse. Therefore it requires clear guidelines with minimum and maximum amounts established. Distribution of funds must be fair, equitable and reasonable.

In terms of accountability, recipients of funding must have clear guidelines to prevent misuse of funds and to ensure taxpayers' dollars realize maximum benefit. This is vitally important at a time when public funds are becoming much harder to come by and the public is demanding the best use of their ever decreasing tax dollar.

There are many stakeholders in the environment decision making process including federal and provincial governments, the private sector and, most important, the public at large. Ordinary Canadians are the most directly affected by the environmental impact of projects. For this reason intervener funding is an important tool and resource as it enables Canadians to participate in the process.

The second amendment to the act seeks to ensure that responses to public panel recommendations must be decided by cabinet. This means that decisions to act or to reject panel recommendations are not made solely by the Minister of the Environment but by cabinet as a whole. This allows for a more democratic system of accounting because rather than one person holding all the cards, all members of cabinet can debate and vote on the issue. It also reduces the likelihood that environmental decisions will be subject to the whims of any individual minister as government as a whole is given authority on whether or not to carry through on these panel recommendations.

The third and final amendment to the Canadian Environmental Assessment Act proposed in the bill amends subsection 24 by proposing to limit the number of assessments to one federal assessment per project. This amendment ensures that environmental assessments relating to the same project but involving more than one responsible authority, for example fisheries and industry, are co–ordinated to avoid duplication.

Normally when a project is proposed an assessment would be triggered immediately. For example, building a bridge normally triggers several assessments by different departments. In the past each department would conduct its own review, resulting in

costly overlap, confusion, duplication and a waste of taxpayers' dollars.

One federal assessment per project will reduce costly and time consuming situations such as the Oldman River dam project in Alberta. The overlapping and conflicting assessments of the Oldman River resulted in numerous court battles and many delays, all at great expense to the taxpayer. The federal government assessment was forced through the courts while the province refused to participate. It was simply an impossible situation.

Canadians cannot afford to have various departments within government conducting reviews over and over again. Such extravagant spending as displayed by former governments is clearly not acceptable today. Canadians are demanding one single comprehensive approach to environmental assessment. One federal assessment per project is clearly a step in the right direction. However it is not enough to have one federal environmental assessment. We need to have one environmental assessment, period; not one federal assessment followed by a similar provincial assessment.

While we may reduce the number of federal assessments we still need to address the fact that federal efforts are duplicated by the provinces. The federal government cannot legislate one assessment within Canada because it can only legislate where it has jurisdiction. The provinces also have environmental jurisdiction. The fact remains that with two levels of environmental assessment there is simply too much duplication, overlap, confusion and conflict.

We are still faced with the reality that federal assessments and provincial assessments may conflict. Even if the two assessments agree, a second one is clearly unproductive. The funds going to the second assessment would be better utilized elsewhere.

We need a common set of environmental standards and goals for both federal and provincial levels of government.

• (1535)

We require federal–provincial harmonization agreements worked out and signed by the provinces and the federal government. In this way we will have one set of rules and truly one joint assessment per project.

It is not enough for the government to say that it is working toward federal–provincial harmonization agreements. We have had enough talk. Now we need action. These agreements must be worked out and signed immediately.

At present there is only one federal–provincial harmonization agreement in place and that is with Alberta. There are nine other provinces that still need to sign on as well as the ambiguity with native self–government ironed out.

It is clearly the time for federal and provincial governments to begin to work together on environmental matters. It is important that we avoid turf wars between the two levels of government and aim toward common goals because the environment clearly has no borders. When it comes to the environment we must put our differences aside for the common good of all Canadians for this generation and generations to come.

Environmental protection should not be viewed, as with some members of the official opposition, as meddling in someone else's area of jurisdiction. Environmental degradation affects the country as a whole. When one area of the country is faced with severe depletion of fish stocks or another area prospers from its forest industry, the effects ripple throughout the country.

When it comes to environmental concerns, all Canadians are environmentalists as are all members within the House. We may differ on how to attain various environmental goals but protection of our environment is common to all of us.

The question is not whether we should base our legislation on federal or provincial regulation but how best the two parties can satisfy their concerns and come up with one comprehensive set of regulations.

Environmental assessment should be conducted jointly with the provinces where there is an overlap in jurisdiction. When a federal and provincial assessment has been triggered, both levels of government should work together to assess the project rather than each other doing their own study. Clearly this cannot and will not happen without one set of standards and a common goal should be shared by both parties.

It is my hope and expectation that the minister has taken the effort to consult with the provinces and that the legislation and the amendments being brought forward today have had the input of each of the provinces. It is vitally important that any new regulations meet their needs in order for harmonization agreements on the environmental assessment process to proceed as smoothly and as quickly as possible.

Given the nature of Canadian federal and provincial programs overlap is inevitable. Environment was not considered when the Canadian Constitution was drafted resulting in confusion for both levels of government. Even exclusive jurisdiction over any particular area fails to guarantee there will be no overlap. The division of responsibilities has often resulted in conflict between the two powers and has compromised our decision making abilities.

Environmental assessment has been one of the most contentious areas of conflict between federal and provincial powers. Both levels of government have legitimate roles to play in environment and resource management. However both parties must demonstrate a will to set aside their differences and work toward the common goal.

One of the government's first priorities should be the elimination of overlap because duplication wastes public funds at a time when our dollars are in short supply. A single unified approach to the environment and environmental assessment in particular would result in greater effectiveness with less confusion.

Intergovernmental harmonization agreements co–ordinate activities and clarify roles while at the same time ensuring that common objectives and goals are attained. Clearly smooth and efficient federal–provincial relations depend upon good working relationships and shared policy objectives. For this to occur, federal–provincial relations must take a co–operative rather than a competitive approach.

To illustrate the horrendous cost of duplication, according to a Treasury Board study 45 per cent of federal programs resulting in expenditures of over $40 billion overlap and compete to varying degrees with provincial programs. We simply cannot afford this duplication of services.

In conclusion, as much as I support the initiative to reduce environmental assessments to one project and one federal assessment, I support it only as a step in the right direction, a step toward one joint federal–provincial assessment. Until the final step of harmonization is achieved with all 10 provinces we will not have reached the ultimate goal of truly one environmental assessment per project.

• (1540)

**The Acting Speaker (Mr. Kilger):** During the next five hours of debate members' interventions will be limited to 20 minutes maximum subject to 10 minutes of questions and comments.

[*Translation*]

**Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I am very pleased to take part in this debate on Bill C–56, an Act to amend the Canadian Environmental Assessment Act. This bill will improve some components of the federal environmental assessment process.

I will take a few minutes to describe briefly the object and scope of the amendments before the House and to try and explain the principles behind this reform.

First of all, I would like to emphasize that these amendments reflect the commitments made in the red book, which is the agenda of the Liberal Party of Canada. Our government is determined to keep these commitments which were made during the last election campaign.

[*English*]

In our view the three amendments are not only essential to the effective implementation of the federal environmental assessment process but are also in keeping with the expectations of the main stakeholders.

We introduced a whole chapter in the red book on sustainable development. We committed ourselves to installing an auditor general of the environment and sustainable development. The minister has already introduced reforms in that regard. We committed ourselves to installing a task force on the economic instruments that would favour the environment and sustainable development. The task force is now at work and will present a report to the ministers of finance and of the environment for eventual inclusion of their recommendations into the February budget.

We committed ourselves to an environmental industry strategy. The strategy has now been introduced to try to help environmental technologies develop themselves and improve their strength and efficiency in Canada for the betterment of our sustainable development strategy overall. We committed ourselves to a review of the Canadian Environmental Assessment Act which by the way is a statutory requirement. This is now in process.

Perhaps the key element of our sustainable development reforms and resolve is contained in the proclamation of the Canadian Environmental Assessment Act to which we committed ourselves. We truly believe and are convinced that environmental assessment is the key element to pollution prevention, to a better environmental standard which leads to quality of life and a sustainable society.

Two of the amendments presented in Bill C–56 are aimed at meeting repeated requests by environmental protection groups from across Canada in recent years. The third amendment is designed to reduce uncertainty and delays in the application of the federal environmental assessment process, a concern which is shared by all stakeholders and certainly by the provinces.

If I could speak to the first amendment which has to do with participant funding, it provides for the legal guarantee of a participant funding program designed to encourage Canadians to take part in public hearings held by environmental assessment review panels.

Participant funding is a major concern of environmental groups and is quite understandable. I should explain that the environmental assessment of major projects that are subject to public hearings is an extremely complex exercise. Generally speaking the environmental assessment of major projects results in several volumes of technical information. For example, in the case of Great Whale several thousands pages of information had to be produced and studied. We cannot expect informed public

participation unless the groups representing the citizens at large who are directly affected by a project have access to funding to state their case.

• (1545)

Participation in the environmental assessment process requires staff, it requires technical resources for analysing reports, drafting a response, preparing briefs and presenting views at public hearings let alone the travel to various points in the land. It is a simple matter of equity.

Some environmental groups and public community groups are faced with tremendous odds when up against huge institutions and corporations which have unlimited funding to present their case. The need for participant funding is not new. It was identified many years ago. The 1987 white paper on the reform of the federal environment review process entitled "Reforming Federal Environmental Assessment" addressed this need and proposed the establishment of a participant funding program.

Following national public consultation carried out as part of the reform, some funding was made available by the previous government. The funds were administered by the Federal Environmental Assessment Review Office, FEARO, and were provided to participants in the activities of federal or joint panels reviewing such projects as, for example, Soligaz in Quebec, the St. Marguerite hydroelectric project in Quebec and the Vancouver airport project.

However, the previous government refused to make a firm commitment or to guarantee participant funding for all the environmental assessments. In this respect the current wording of the Canadian Environmental Assessment Act is unsatisfactory for it simply allows a minister to create a participant funding program.

The wording of Bill C–56 goes much further. It creates the obligation to establish a participant funding program in keeping with the Liberal Party's red book commitment which reads:

> A Liberal government will amend the Canadian Environmental Assessment Act to legally recognize intervener funding as an integral component of the assessment process.

This is what we are doing by this very important amendment.

[*Translation*]

The second amendment provides for only one federal assessment per project. It results from the more general commitment made by the government to improve the efficiency of federal government services and to significantly reduce duplication. This amendment will ensure that, to the extent possible, only one federal environmental assessment will be conducted with respect to a project.

In fact, the Canadian Environmental Assessment Act already contains many provisions to avoid duplicating similar provincial processes. It provides for delegation of authority where pre–assessments, comprehensive studies and follow–up programs are concerned. It also provides for signing harmonization agreements and creating "single windows" in each of the provinces. The Canadian Environmental Assessment Act also includes provisions to facilitate the work of joint panels.

[*English*]

Several years ago I happened to be minister of the environment for Quebec. At that time I negotiated long and hard with the federal minister of the time, Mr. McMillan, to try and get to the very position we are in today in the act, which is to have some sort of a process whereby the federal government and the provinces would be able to install joint panels. In the case of provincial jurisdictions there would be provincial panels with the federal government sending observers if it had an interest in the project, or vice versa, or sometimes mixed panels.

I remember a case that was under discussion, the airport in Saint–Jean, where unfortunately we were not able to arrive at a conclusion of this process. Now we will be able to.

[*Translation*]

This amendment has two goals. First, it seeks to co–ordinate information requirements throughout the federal civil service, should a project be subject to more than one study under the Canadian Environmental Assessment Act.

• (1550)

For example, when a project funded by the federal government also requires a permit under the regulation, it is theoretically possible that two different assessments will be necessary. In such cases, we want to give the developer the assurance that the assessment will meet the requirements of all the federal authorities involved.

Time is the other aspect of this amendment. Whenever possible, we want the environmental assessment to meet the information needs of federal authorities for the duration of the project. We want to avoid asking the developer to conduct an assessment at the planning stage, another one at the implementation stage, another one when work is temporarily interrupted and another one when equipment is no longer used and activities are permanently shut down.

It is true that the legislation in its present form contains some provisions requiring co–operation among federal authorities. For example, section 12 stipulates that where there are more than one responsible authority in relation to a project, they shall together determine the manner in which to perform their respective duties and functions. Nothing in the existing legislation forces them to require only one assessment for each project. This is totally unacceptable if our goal is to have a coordinated, effective and consistent process, and I am sure it is the goal we are all pursuing.

With this amendment, the federal government is doing its share. The amendment is designed to meet the legitimate expectations of those who are justifiably opposed to conducting more than one environmental assessment for the federal government. Combined with the current harmonization initiative undertaken by the Canadian Council of Ministers of the Environment, I am hopeful that this amendment will help us reach our ultimate goal, which is to conduct only one environmental assessment with respect to a project, no matter how many authorities are involved.

[*English*]

I am sure the third amendment will contribute to curbing Canadians growing dissatisfaction with government and to restoring parliamentary integrity.

Again I would like to quote the Liberal Party's red book which addresses this particular problem. On page 87 it states:

> The people are irritated with governments that do not consult them, or that disregard their views, or that try to conduct key parts of the public business behind closed doors.

The manner in which the previous government dealt with panel recommendations certainly fueled the public's dissatisfaction with Canada's democratic institutions. Indeed, when a major project raised public concerns, the scenario was always the same. A review panel was established. It studied the possible impacts of the project for months and sometimes even for years. It consulted the public affected by the project. It then drafted a detailed report containing specific recommendations.

However, as soon as one of these reports reached a federal minister's desk, unexplainable things would happen. In some cases the minister responsible would examine the report and make a decision without consulting his or her colleagues. In other cases the cabinet would meet to study the recommendations of the panel and would decide, for its own reasons which it did not have to divulge, to ignore the most important ones. In most cases the previous government's decisions were completely out of line with the key recommendations set out in the panel's reports.

Under certain circumstances I agree that this may be perfectly justified. Unlike panel members, who are appointed and who are not accountable to the public, the members of government are elected to make decisions.

This said, it is in our view unacceptable for a government to entrust a panel of experts with a task of examining an issue and with consulting the public and then to turn around and reject their recommendations with no explanation for its decision. Environmental protection groups and the media were very often critical of previous governments' decisions.

• (1555)

In most cases they felt that short term economic and political gains would take precedence over the long term environmental benefits that form the basis of most recommendations made in the panel reports.

If the government systematically ignores the panel's recommendations, it will be difficult to restore the public's confidence in our institutions, be it in regard to the environment or otherwise. In fact the principle of public consultation itself is thus called into question.

It will also be very difficult to convince proponents to comply with the process and to find qualified individuals to serve on the panels. Besides, it will not be easy to convince affected Canadians to take part in the hearings. How can we hope to encourage public participation if the government is completely free to ignore all recommendations and if it is not required to provide the reasons behind its decisions? Under these circumstances, how will the government be able to convince Canadians that it made the right decision in the first place?

The point is not to tie the hands of decision makers and to give non–elected panel members decision making powers, but rather to restore a proper and judicious balance. If the government decides to accept the recommendations of an environmental assessment panel, everyone wins. However, should it decide to accept certain recommendations and to reject others, it will be required to provide explanations. If its explanations are clear, the integrity of the environmental review process will remain intact.

The problem that arises from the desire to strike a balance between ministerial prerogative and the recommendations of environmental assessment panels was addressed in the 1987 white paper to which I have referred before on the reform of the federal assessment process.

The proposed amendment will require the responsible minister to draft a response to the recommendations of an environmental assessment panel. This response will have to be examined and approved by the governor in council, in other words by the cabinet.

[*Translation*]

This bill meets real needs, and it improves the Canadian Environmental Assessment Act. The government's goal is to have only one federal assessment on any given project. The creation of a participant funding program will encourage Canadians to participate in the hearings conducted by review panels.

Finally, the principle of openness in government will apply, because the government will have to respond officially to the recommendations made by review panels. Those amendments will contribute to restore public trust in federal democratic

institutions. The government intends to proclaim the Canadian Environmental Assessment Act in January 1995.

The four required regulations have been published in Part II of the *Canada Gazette* on October 19. The amendments before us should be passed as soon as possible, because all Canadians stand to gain from their early implementation after the Canadian Environmental Assessment Act has been proclaimed.

[*English*]

The environment knows no boundaries. It is a matter of equity. It is a matter of common sense. It is a matter of a sustainable society for all of us besides the coming generations.

I could not help but find it strange when the critic for the Bloc Quebecois referred to—

[*Translation*]

—a guardianship being forced on the province of Quebec. The Bloc Quebecois also claims that profound changes have been made since the present Leader of the Opposition introduced the bill a few years ago. The amazing thing is that, since the environment minister made her statement on the proclamation of the Canadian Environmental Assessment Act, there has not been a single question asked about that so–called jurisdictional calamity. There have been questions on all sorts of things, and countless questions on tobacco. But the environment does not seem to be such an important issue.

• (1600)

In fact, not a single question was asked about such a supposedly important decision as putting the province under guardianship. Indeed, the Leader of the Opposition himself and his party's critic had every opportunity to make any statement they liked on the subject. There were only two, one just before the 1993 election and another on October 13, 1994, to the *Gazette*, in which he said that he was satisfied with the law and that there was no petty squabble between Mr. Parizeau and him on this subject, because he approved of the law and thought that it was a good one.

We must set our petty squabbles aside and realize that the environment is much larger than all of us, that we must co–operate and have the will to work together. That is what we want to do, on this side of the House, by presenting these amendments. We want to be co–operative, positive and build things for ourselves and future generations.

**Mr. Benoît Sauvageau (Terrebonne, BQ):** Mr. Speaker, I would like to ask a short question of the member for Lachine—Lac–Saint–Louis. I will not take all of the ten minutes and I will leave ample time for him to answer. As he said before in his speech, the member for Lachine—Lac–Saint–Louis was Minister of the Environment in the Quebec government at one point.

I would like him to explain in clear and simple terms how he can justify his support for the Canadian Environmental Assessment Act when his former government, through the former Minister for the Environment, Mr. Paradis—if we can mention his name in this House—succeeded in obtaining unanimity in the provincial legislature, not only a sovereignist vote, not only a partisan vote, but unanimity, on the position of the then Liberal government of Quebec, his former government, being against any intrusion on the part of the federal government in the area of environmental assessment.

I think the former Minister of the Environment could easily explain the change of opinion he experienced while going from the Quebec to the Ottawa government.

**Mr. Lincoln:** Mr. Speaker, I cannot answer for Mr. Paradis, but all I can say is that when I was environment minister in Quebec, I had appointed an associate deputy minister, Mr. Divay, who worked actively with the federal government to seek the kind of administrative agreement which was signed today between Alberta and the federal government.

In fact, I could quote several cases of joint work which was done as actively as possible, for example, in the case of Sainte–Marguerite, in the case of the Lachine canal, which is a current case where joint panels have been established between the federal and provincial governments. In fact, I would like to refer the hon. member for Terrebonne to a statement which was made just recently to the Montreal *Gazette* by the Leader of the Opposition—unfortunately, I cannot find my quote, but in any case, it is official, it is widely known and I would be very pleased to send it to the hon. member for Terrebonne—where the Leader of the Opposition is criticizing Mr. Paradis for getting angry.

He says in the *Gazette*: "I do not know why Mr. Paradis got so excited, because that legislation is a very good piece of legislation". So, perhaps the hon. member for Terrebonne should speak to his leader and ask him why he thought that Mr. Paradis got too angry when he intervened on Bill C–13. There were several quotes from the Leader of the Opposition. I will quote his statement to Mr. Jean–François Lisée on October 21, 1993. Mr. Jean–François Lisée asked him: "What is going to happen? Are you going to oppose Jacques Parizeau if he comes to power in a few months?", speaking about Bill C–13, the same legislation we are talking about today. This was just before the election, a few days before the election, and he answered: "Oh no, Mr. Parizeau will also abide by the law. The P.Q. has accepted the position".

But later, just recently, a few days ago, he said repeatedly that the bill is well–founded, that he does not see in it any federal and provincial jurisdictional quarrel and that there is a way to find a common ground if we arrive at some agreements. That is what we want to do, that is what I tried to do as environment minister

in Quebec. For me, the environment has always been much more important than jurisdictional quarrels and petty squabbles.

• (1605)

I believe that every one must respect each other's jurisdictions, but we must do it in a constructive way, by trying to find solutions instead of confrontational elements. That has always been my position.

[*English*]

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, the minister has stated that she is working toward provincial harmonization. I would like to draw on the member's expertise as a former Quebec environment minister because we seem to have a number of opposing forces at work. I applaud the Liberal's initiative to work toward harmonization. However we have a government in Quebec that is saying that environment is its jurisdiction. In the member's experience, is harmonization going to happen, will it happen and can it happen with the forces that are opposing each other in Quebec?

**Mr. Lincoln:** Mr. Speaker, I would like to respond to my colleague who is a fellow member of the committee on environment and sustainable development, as is the member for Terrebonne. We show in committee that we can work in great harmony and in a very positive climate regardless of party stripes. It has always been my view that this is the way to do it.

For one year I was president of the Council of Environment Ministers of Canada. I found there was a tremendous amount of goodwill. Sure there were quarrels and disputes as regards jurisdiction. There always will be in a federal system. There always will be in any system. That is the way the world works. At the same time, if we put our differences aside, we can find ways to harmonize our views and our objectives.

For example, the Canadian Council of Environment Ministers has been actively working. Civil servants from the federal government and every province have been working together for a particular harmonization protocol on this very question of environmental assessment. It has worked very actively.

During the term of Minister Paradis who unfortunately is no longer minister because the government was defeated, Mr. Paradis insisted and made sure that a senior civil servant from Quebec was present and took an active part in the deliberations. Unfortunately that is no longer the case because since proclamation of the act Quebec has withdrawn its representative. All the other provinces are working actively. The minister has written to Quebec's minister praying that he rejoin the ranks.

I am certain that agreements can be put into place that respect fully the provincial jurisdictions. The federal government does not want to encroach. All it wants to do is to ensure that when federal prerogatives such as the Fisheries Act are involved that it complies with the dictates of the Supreme Court, it complies with the wishes of Canadians and that among us and between us instead of duplicating our efforts we make them complementary, integrate them for the benefit of all of us.

I am convinced we can do that. We have to have the resolve and that resolve starts among us here. If it is transmitted along and the provincial governments realize that we want to co–operate, to act together rather than confront, it is going to happen. I hope it is going to happen too with the Government of Quebec.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I have a short question in the interests of time for the parliamentary secretary who I know has done a tremendous amount of work on the proclamation of the act.

Talking about provincial jurisdiction and joint panels, joint panels are something I am very supportive of. I believe the act has gone a long way to ensuring that joint panels will be able to do the job.

However, can the parliamentary secretary explain how the government will attempt to prevent certain confrontations that will exist with the provinces? The public examples which have brought us to the act we have today are the Rafferty–Alameda dam in Saskatchewan and the Oldman dam in Alberta. Both are examples where the provinces, the proponents of the projects were adamant about no federal involvement in environmental assessment. At the same time these projects point out the incredible need for adequate environmental assessment. The proclaimed act which was Bill C–13 has gone a long way to deal with that.

• (1610)

Can the parliamentary secretary give us some idea of how he thinks the government will deal with conflicts with provinces which are for the most part proponents of projects that are problems?

**Mr. Lincoln:** Mr. Speaker, much has changed since the cases referred to by my hon. colleague. First there is a Supreme Court decision which makes it quite clear that when the federal government has a jurisdiction it not only should get involved, it has the duty and obligation to get involved. It does not have any chance or opportunity to escape. It must get involved.

There was a timidity before on the part of the federal government to intervene where it had a clear case of jurisdiction, for example on Canadian waters, on fisheries. Now this case is clear. There has been pressure from the Canadian public

to say to their federal government that it has to get involved because it represents a big part of the total jurisdiction.

What will happen now in the case of the provinces and the federal government is that there will be a sensitization that they have to work together, that we cannot confront each other any more. I think this will happen.

There was a recent case in my own province. The Lachine Canal has been an example of a problem which could have led to confrontation but a joint panel was extremely effective and under the provincial system works extremely well. That is going to become the practical way of doing things in the future.

[*Translation*]

**Mr. Benoît Sauvageau (Terrebonne, BQ):** Mr. Speaker, I would like to say to my colleague from Lachine—Lac–Saint–Louis that I understood something from his speech. He is in favour of doing away with overlapping provided the issue is resolved in favour of the federal government. I think I understood that correctly. We are against overlaps, move over, we will take all the room, this way everybody will be happy. Except he was not quite that blunt.

It is with great interest that I rise to speak on Bill C–56 and the Canadian Environmental Assessment Act. That legislation was to create a new agency to assess all projects which could have an environmental impact. As you will notice, there is no way I can agree with that legislation. Indeed, as an elected representative from Quebec and a defender of Quebec's interest, I must express my dissatisfaction with the federal government's interference with provincial affairs.

As we all know—and the Minister of the Environment knows it as well—there is in Quebec, as in other Canadian provinces, an office of environmental assessment. We call it the BAPE. The mandate of this bureau is to assess projects that have an environmental impact, and it has acquired an international reputation. Quebec is a leader in the area of environmental assessment.

Moreover, the new Minister of the Environment in Quebec announced recently that they would legislate to include assessment of industrial projects into the existing assessment process, even though these projects were already assessed by his department. The Bureau d'audiences publiques pour l'environnement, or BAPE, is a complete, efficient, open and credible process, which answers very well the needs of the population.

The federal government, by promulgating this legislation and tabling regulations on a wide range of projects, imposes a standard system to all provinces regardless of the work already done by the bureau, in Quebec. The Quebec assessment process is operating smoothly and it has proven its worth. Therefore, the federal assessment process will only superimpose itself, adding to the many duplications we already have in our federal system. This bureau will make public administration more cumbersome and the debt will keep on growing.

• (1615)

There will be a Quebec bureau and a Canadian agency, both dedicated to the evaluation of projects which could have an impact on the environment. Not only will this situation make public administration more cumbersome and very costly, but it will also be the source of tremendous headaches for proponents who will never know to whom they should report. Moreover, there is no set timeframe, which could unduly prolong the federal evaluation process.

On the other hand, we cannot ignore the fact, as I said earlier, that the previous Liberal government in Quebec was strongly opposed to this bill. Mr. Pierre Paradis, the then environment minister, who was a strong supporter of Canadian federalism, denounced this bill, going as far as saying, appearing before the Senate, that this piece of legislation was a reflection of a domineering and authoritarian federalism. It is Mr. Paradis, a strong supporter of federalism, and not separatists, who shed this light on this bill.

Needless to say, at the time, the National Assembly had unanimously supported the environment and wildlife minister in his fight. What we are talking about here has nothing to do with political affiliation or petty squabbles; it is simply a matter of plain common sense. Quebecers are outraged by the ludicrousness of this bill and of the situation it is creating and will create. The total lack of flexibility on the part of this government which refuses to take the Quebec process into account while amending the act, should not come as a surprise.

Moreover, the government seems to forget that the issue of environmental assessment is part of the federal–provincial harmonization process, as the parliamentary secretary to the environment minister mentioned earlier. The process is part of the agenda of the Canadian Council of Ministers of the Environment, but while discussions are still ongoing, the federal government decides to interfere. What is the point then of having any discussion? We can easily predict what the famous four–year, $12 million health forum will result in. The report must already be written and just waiting to be published. The government forgot that the federal–provincial environment harmonization process was on the agenda. To what extent should we trust this exercise if, at the very first opportunity, the government overlooks Quebec's demands and recommendations?

The government is lending a deaf ear to Quebecers, in spite of the fact that they have unanimously expressed their displeasure loud and clear.

I would like to quote a member from the other party, the Liberal member for Ottawa Centre. "The time has come for the different levels of government to agree on a somewhat clearer definition of jurisdictions". That is a Liberal speaking. "It seems to me that the two levels of government should get together on matters of environment". We agree with that. "The minister should take a deep breath, go back a ways and consider this goal, that is the co–operation of all parties concerned with environmental protection". Quebec is one of them. "The gov-

ernment must make sure everybody follows suit because if another level of government does not approve of federal measures, this bill is doomed to failure". These are his own words.

By its attitude the federal government is mocking the intelligence and common sense of Quebecers. After having flouted their legitimate claims, how can the government come back to the table in order to integrate federal and provincial assessment processes? In any case, after such an insult, there will be one player missing at the table, the Quebec Minister of Environment having recalled his players to Quebec.

As a result, there will be another unavoidable confrontation, this time on environmental matters. Considering the government's attitude about this question, the future of these negotiations is not promising. Moreover, with Bill C–56, the government is charging blindly in an area where jurisdictions are very vaguely defined.

As stated by the Supreme Court of Canada in the decision regarding *Friends of the Old Man Society*, "in the context of a federal constitution, environmental management should not be considered as a constitutional unit coming under only one level of government".

• (1620)

It is obvious in this case that the government is ignoring the recommendations it has received from all sides on the issue of the environment.

Moreover, the minister is trying to minimize the controversy about Bill C–56 by mentioning that this bill was first introduced by the Leader of the Opposition when he was himself environment minister.

As Mr. Yergeau, a lawyer specialized in environmental law, explained so clearly in an article published in a 1992 issue of the daily newspaper *Le Devoir*, many words are being put in Mr. Bouchard's mouth after the fact. In addition, must we remind our friends opposite, who can have a short memory at times, that Mr. Bouchard has since found out that the federal system does not work and never will? He has had the courage of his convictions and left the party. That too should be pointed out.

In a speech given on November 3, 1989, the Leader of the Opposition said that the governments should take note of the three realities dictated by the very nature of environmental problems to be resolved. About the second reality, he said—and I am repeating the quote from my colleague from Laurentides because it is very important to understand this—that in grey areas, where the roles were not clearly defined in the Constitution, co–operation was essential. He added that, at a time when we were realizing that fighting for the environment is fighting for life itself and that this fight must be taken up worldwide and not be limited to our individual jurisdictions, our fellow citizens would not understand and even less tolerate a wrestling match between federal and provincial politicians.

This certainly puts matters in perspective, I would say. Clearly, the federal government approach was not in keeping with the spirit of the bill. In addition, the legislation introduced today incorporates major amendments which are in line with the bill the Leader of the Opposition introduced five years ago, in 1989. The legislative committee to which the bill was referred made some very substantial changes to it in December 1991, and several technical changes were made to the legislation between December 1991 and June 1992. It is therefore inappropriate to present this bill as coming from the Leader of the Opposition. Much water has flowed under the bridge since then.

In conclusion, the only consequence of this bill will be, once again, to foster duplication under our federal system. Quebecers rose up and unanimously expressed their dissatisfaction through all the means at their disposal, but the federal government, again, did not listen to them.

Even federalists recognized the absurdity of putting in place a second review panel, but no one listened to them. Even during negotiations to harmonize federal and provincial efforts in this area, the federal government seized the first opportunity to reject Quebec's demands. It is bad faith, pure and simple.

We are constantly being reminded that it is a red book promise. The government failed to deliver on many of the environmental commitments in the red book. Fortunately, the Liberal Party recognized the foolishness of appointing an auditor for sustainable development and the environment as promised in the red book and was smart enough to put forward the recommendations included in the Bloc Quebecois's minority report.

As for the goal of reducing greenhouse gas emissions by 20 per cent by the year 2000, it was disavowed by the minister herself. She could not or would not understand that an environmental goal placed under the responsibility of another department—in this case, Energy Canada—was totally inconsistent.

As far as the environment is concerned, the Liberals would undoubtedly like to see some pages of the red book disappear, probably through recycling.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.):** Mr. Speaker, I listened very carefully to what the Opposition said, including that member and the critic, or the one who has the critic's role—she criticizes the Department of the Environment very badly for its efforts to serve all Canadians so that they can live in a healthier environment.

Again, all I heard was ideological ranting about the arrogance of wanting to take Quebec's place in the environmental field.

• (1625)

They talk about provocation, contempt and arrogance towards Quebec. They even talk about a kind of domineering, totalitarian federalism. You know, those are not solutions, that is not a constructive approach for finding environmental solutions. As we know very well, Quebecers are perfectly aware that pollution knows no boundaries. Everything that happens in the Great Lakes, in the St. Lawrence River and even in the Gulf concerns Quebec, although some of these places are outside the province.

I believe that Quebec and Quebecers recognize the importance of finding a common position with the provinces and countries that occupy North America, namely Mexico, Canada and the United States. It is false for the member to claim that he is defending Quebec's interests and that he speaks for Quebec. Some people on this side of the House represent Quebec ridings, including myself and many Liberal members, and I can tell you that we care a great deal for the environment.

I can prove that we Liberals were the ones who dealt with the *Irving Whale* and thanks to the close co–operation of my colleagues from the Maritimes, the Department of the Environment and the minister, who is from Ontario, we were able to solve this problem once and for all.

I still find it strange for them to say that the federal government does not consider the legitimate demands of Quebec, or of its governments. I find it curious that they refer to the people to make a distinction: They talk about the people, the governments and the Bloc Quebecois' headquarters in Quebec City, but they do not necessarily discuss the issues which really concern the population. And I find it particularly strange that no mention is made of existing administrative agreements between the federal government and the province of Quebec in the pulp and paper sector.

Such an agreement was signed in August, to ensure that pulp and paper companies comply with environmental standards not only in Quebec but also across the country. I believe that success will largely depend on our way of doing things, on a co–operative approach between the provinces and with the United States and Mexico, to ensure standards which will be beneficial to Quebecers but also to every Canadian. In fact, Quebec relies on a Canadian policy to ensure a sound environment for the benefit of its current population as well as its future generations.

**Mr. Sauvageau:** Mr. Speaker, what is the question? This is certainly a nice speech. I congratulate the hon. member. I would like to know where the members for Outremont and Bonaventure—Îles–de–la–Madeleine were when the time came to speak for Quebec regarding a debt of $34 million owed to the province by their government.

As I recall, they applauded when their Prime Minister and leader said: "We will not give you that money back". And they were disappointed when the debt was paid to Quebec. That was certainly not the issue.

If pollution knows no borders and if Quebec should not get involved, then why should Canada? Let the United States look after the pollution problem.

I do not really understand that argument which they keep repeating to us, namely that pollution knows no borders. They say Quebec should not get involved because pollution knows no borders. Canada should not look after that problem for the same reason. This argument is somewhat fallacious and it is not very solid. I invite the hon. member to attend the meetings of the Committee on Environment and Sustainable Development. He will learn a lot.

As regards the pulp and paper sector, an administrative agreement was indeed signed. Our committee met officials from pulp and paper companies. These people do not know all the details yet. The reports do not clearly define how harmonization will proceed. Some consultations have taken place, but no tax agreement was signed and that issue is also not clear. This is my answer to the hon. member. If he has any other questions, I will be pleased to answer them.

[*English*]

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, the hon. member has indicated how horrible the legislation seems to be.

• (1630 )

I am wondering if the hon. member can indicate why his leader said on May 11, 1990 in the Calgary *Herald*: "People must not expect the government to get out of the assessment of federal projects". Then he went on in May 1990 in the Calgary *Sun* to say: "We have jurisdiction, we have responsibilities". Most important, the hon. member's leader said on May 11, 1990 in the Edmonton *Sun*: "I think it is a very profound responsibility of this government and any federal government to fulfil national responsibility, and environment is very much a national responsibility".

I am wondering if the hon. member has any comments in light of these statements.

[*Translation*]

**Mr. Sauvageau:** Mr. Speaker, these statements attributed to my leader concern the environment in general and not the Canadian Environmental Assessment Act. To be able to analyze or answer a clear question, one must compare oranges and oranges. The member quotes statements made by the Leader of the Bloc Quebecois when he was environment minister and

spoke in general terms about ecology and the environment. I do agree with my leader, as I often if not always do, that environment is a national issue, an international issue, an issue for everyone of us to consider.

Liberal members say that they are very concerned about the environment. Obviously, they are and so are, I am convinced, the NDP members, and the Reform members. We are too. But that is not the question.

The question is this: When dealing with environmental assessment and standards, should Quebec's jurisdiction be respected as agreed after the Constitution, since there is nothing about it in either the 1867 Constitution or the patriated one? I believe that we should respect the areas of jurisdiction which were defined later on.

I also believe that environmental assessment, as Quebec has been proving for a long time, and as the Liberal government in Quebec voted unanimously, should be Quebec's exclusive jurisdiction.

[*English*]

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I have a very short question. Imagine that the Government of Canada has a national standard on the environment, say for forestry, but the provincial standard is not as high as the national standard. Which one would the member suggest be followed?

[*Translation*]

**Mr. Sauvageau:** Mr. Speaker, I think that forestry is a provincial responsibility, like natural resources, education—

**Mr. Mills (Broadview—Greenwood):** Standards.

**Mr. Sauvageau:** Provincial standards are generally higher than federal standards. The highest standard would then apply.

[*English*]

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, further to my colleague's question, I do not think it was answered.

I would like to pose that question once again, asking about specific standards particularly in federal–provincial agreements. Could the hon. member indicate whether or not a standard which is lower in Quebec is the standard that would apply, or if it would be the federal standard if it were higher?

The reason I am asking the question is that I think we have to differentiate what the issue is. A separatist is basically suggesting that we will accept a lower standard if it is for Quebec, rather than a higher standard if it was in the national interest. I would like to know.

[*Translation*]

**Mr. Sauvageau:** Mr. Speaker, I will try to answer my two colleagues for the second time. I believe there are national standards, uniform standards for the whole country. Mr. Parizeau was saying during the election campaign that it would be very difficult to have uniform standards in Quebec, in forestry for example, so imagine what it would be like for the whole country.

First, as I said before, under the Constitution Act of 1867, forestry is strictly a provincial matter. Then, there is no problem. Second, a solution applicable in Vancouver might not work in Quebec, not to mention Prince Edward Island. If a standard applies to British Columbia—your area I believe—I do not think we can conclude that it would automatically apply to Quebec where the climate is different, the soil is different, many conditions are different. How would the standard apply?

• (1635)

If you were to ask me about fisheries, I would give you the same answer. I do not think that a national standard could apply to conditions in Quebec, or in Alberta, or in your riding, differences are too large.

[*English*]

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, I congratulate the Minister of the Environment for introducing these amendments today which are in keeping with the promise made in the red book. I would like to make some brief comments on the interventions by the member for Laurentides when she spoke after the minister today.

The hon. member started her analysis by referring to the fact that the bill being introduced today which amends the existing legislation and the existing legislation have no resemblance with the original bill known as Bill C–78 that was introduced when the present leader of the Bloc Quebecois was Minister of the Environment. She added that some 150 amendments were made during the lifetime of that bill before it was proclaimed. That statement is quite accurate; I was here and she was not. I remember very well that a number of amendments were made having been proposed by representatives of the NDP, the Conservative Party and my party.

In that process of amending it we did what is done with any major legislation, namely we improved it. We improved it within the limits imposed by the bill itself. Therefore that bill, known as Bill C–78 and subsequently as Bill C–13, has the thrust, the scope and the four corners, to use the parliamentary language, that the original bill had. In that respect the member for Laurentides unfortunately is wrong.

The hon. member objected to the fact that the final legislation introduced the term and definition of sustainable development. In evolving time considering the progress that term has made in its interpretation it has become natural and almost obvious that sustainable development was introduced as one of the objectives

of that legislation. I am sure that if the then Minister of the Environment and now leader of the Bloc Quebecois had been in the position of the present Minister of the Environment, he would have proposed the definition to be inserted in the bill himself. It goes without saying.

The member for Laurentides went on to say that fellow citizens will not tolerate quibbling between federal and provincial politicians. Having made that statement with which we all agree she then devoted the rest of her speech to an analysis of the situation which revealed a profound desire to disagree with the federal jurisdiction as if she were a provincial politician. She even brought into the discussion a judgment of the Supreme Court in order to make her case.

She was repeatedly dissatisfied or annoyed at the fact that the present Minister of the Environment in her speech today was referring frequently to her leader, as if that were a sign of lack of respect for his present political role, having changed sides, so to say.

• (1640)

Of course, the hon. member indicated several times that her main concern in relation to the bill introduced today is one that she would interpret to perform a role that would be tantamount to an arrogant attempt to encroach on Quebec's jurisdiction. We are not aware of any other province interpreting this bill in that manner. Actually this bill is supported by and large by provinces. No one has seen this bill as an arrogant encroachment.

What the member for Laurentides failed to recognize in her speech is that if the federal government wanted to encroach on the jurisdiction of any province it could do so under the provision of peace, order and good government. It could intervene anytime but it does not. That is the point. It does not do so because there is an unwritten understanding that the peace, order and good government clause is to be used only in extreme cases when necessity makes it absolutely unavoidable but only in such cases.

Therefore to proclaim to the world that this bill is an encroachment on Quebec's jurisdiction is sheer nonsense. There is air, water and a variety of natural resources that all levels of government share in the name of the Canadian people. No province is exempt from that. Neither is the federal government exempt from that basic sense of accountability in relation to these natural resources.

The member for Laurentides went on to say that this bill is a demonstration of the centralizing vision of the federal government. I invite any member of the Bloc Quebecois to get up in this House and support this statement.

The member for Laurentides went on to say that national standards are being imposed. Tell us which national standards are being imposed. We are searching for national standards. The exchange of questions with the member for Fraser Valley West already showed how much of an openness of mind there is in the search for national standards. It is a very difficult exercise. It is much more complex than the wall to wall standardization to which the member for Terrebonne referred in his reply. It is a difficult exercise, no doubt.

The hon. member went on to say that Ottawa could force any Quebec project to come under assessment. This is stretching it a bit too far. As I said earlier, Ottawa could do that without this bill under peace, order and good government if it really wanted to but it does not do so. To claim that is a political expedient in this House to unnecessarily whip up feelings among constituents in Quebec.

The hon. member went on to quote a distinguished but unknown lawyer in Quebec commenting on this legislation. It is not difficult these days to find lawyers to comment one way or another on any piece of legislation. Then she went on to put on record an editorial by a writer well known for her objectivity, Lise Bissonnette of *Le Devoir*. Apparently she has written that Ottawa is taking over Quebec's energy policy by means of this legislation. How absurd can one be? How can one make that statement seriously? We must bring this debate down to earth and analyse the legislation for what it is and what it attempts to do.

• (1645)

In a flight of desperation, the member for Laurentides announced to the world that the federal government is attempting to squash economic development in Quebec. At that point I had a moment of dismay because I thought it was a very unfortunate statement on the part of the critic for the environment for the Bloc Quebecois. At that point she revealed that she was not speaking as critic for the environment. She was speaking perhaps as a political person instructed to demonstrate that federal–provincial relations a priori cannot work in this country.

However, if she were critic for the environment she would have not let her guard down and allowed herself to be accused of seeing the economy as separate from the environment as she did with her statement. She should know better.

We have reached the conclusion in this Chamber, in all the parties represented in this House, in their contained literature, at the OECD in Paris and in Rio in 1992 that there is a strong link between the environment and the economy. In some quarters the economic thinking has gone even so far as to say that there is no economy without the environment, although that vision has not

yet become official in those institutions and agencies. However, we are moving in that direction inevitably so.

For the official critic for the environment for the Bloc Quebecois to make a statement in which she dissociates the economy from the environment I thought was very unfortunate. She talked like an old–fashioned economist, an economist of 100 years ago perhaps, not as a critic for the environment, not as a politician who understands the importance of integrating the economy with the environment, not as a politician who understands that in the end the environment is the first and major consideration if we want to have a healthy economy.

The speech by the member for Laurentides, I am afraid to say, reveals a profound and serious conceptual weakness.

To conclude on that intervention, I found in essence the speech really was activating the flames of confrontational federalism instead of searching for the answers through a form of co–operative federalism which was done I thought so effectively by many other speakers today and in particular by the member for Comox—Alberni whose intervention I found extremely helpful. We may perhaps have different political views but his intervention in outlining where he finds the bill weak and where he finds agreement with the bill is extremely helpful. I thank him for that.

He asked a very key question which was dealt with briefly but I would like to go over it for a moment. His question was what if—one of those famous what ifs—the minister does not call for a review and there is too much ministerial discretion? That is certainly a point that we have to examine and to which the parliamentary secretary gave an interesting answer. He said he believed that in such a case there would probably be profound public displeasure, profound public and media criticism and that would be the corrective action that would take place.

• (1650)

It is a very legitimate question to ask. It falls perfectly within the classic jurisdiction of the opposition to do so. I certainly find that question worth pursuing in search of a desirable satisfactory answer.

Another question by the hon. member for Comox—Alberni was how the bill would apply to the First Nations. He wants clarification on that aspect and we will certainly seek it.

In essence it seems that this bill is serving the agenda of the Bloc Quebecois in terms of demonstrating that federalism does not work because of certain actions taken by Ottawa. That is a very regrettable political line to adopt. It is unfortunate and it is not in the interest of Canadians no matter where they live.

If we were to assume just for a moment that Quebec were sovereign, it would be the government of Quebec that would be seeking from its neighbours the type of environmental security and understanding and processes that this bill and the legislation which this bill intends to amend is offering right now. It would be one of the first steps of any new government. It is difficult to understand the logic of the Bloc Quebecois in criticizing a bill that is already in place, to which improvements are being made, to an unacceptable measure under federalism but which it would be pursuing and very actively so if it was sovereign in the sense it is pursuing it at the present time.

There is a contradiction here which does not make sense and which I would like to bring to your attention, Mr. Speaker, because it seems that it goes to the root of the debate today on Bill C–56.

Mr. Speaker, I see you are giving me the signal that my time is up. I thank you for your consideration.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, the member for Davenport having just spoken I was very pleased to be here today to be able to hear his words. I have a great deal of respect for the member for Davenport with whom I shared a fair bit of time in committee looking at Bill C–13, the legislation which preceded that which we are amending today.

I have a couple of questions based on his comments just now. The member indicated quite correctly as I see it some of the questions which must be asked about the speech by the member for the Bloc Quebecois earlier today. In one of those comments on one of those points, the hon. member for Davenport talked about C–13 and the way in which it applies in the joint panels, the jurisdiction issue.

Could the member for Davenport explain a little bit further this whole aspect about the trigger mechanism that puts in place the joint panels. Could he give, as a member from Quebec, any examples at all of where those triggers would interfere with Quebec jurisdiction. It is my feeling that the triggers quite properly represent federal jurisdiction and perhaps there are no provincial jurisdiction issues to be dealt with here. I would like to know what the hon. member has to say about that.

• (1655)

Second, in his remarks he talked about the peace, order and good government matter. If I am not mistaken, the member for Davenport can correct me if I am, in the committee studying Bill C–13 we tried to amend the act to put in a peace, order and good government clause but failed to do so.

I believe the peace, order and good government clause he is referring to exists elsewhere. I wonder if under those circumstances he would be supportive of looking at the amendment in committee regarding peace, order and good government specific to this legislation.

**The Acting Speaker (Mr. Kilger):** Before I recognize the hon. member for Davenport I have a housekeeping matter here.

It is my duty, pursuant to Standing order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Davenport—Nuclear testing.

**Mr. Caccia:** Mr. Speaker, I thank the hon. member for The Battlefords—Meadow Lake for his question. Regarding peace, order and good government I would not recommend that this amendment be put in the legislation at this particular point in time. I think it would become the object of incredibly acrimonious debates and could endanger the entire exercise. It is better that that provision remain where it is now and that it be invoked as sparingly as possible. It should be therefore considered as an item that would not be invoked in single legislation as in the case of Bill C–13.

Regarding the trigger mechanism, I have extreme difficulties in answering that question. I would also like to know where that mechanism ought to be placed and when it ought to be put into motion. It is more than a technical question; it is a very important political question. I would like to study that matter in more depth before trying to give an adequate answer.

I am sure the hon. member with his political and legal knowledge has one in his pocket. I would rather look at his before I make up my mind.

**Mr. Taylor:** Mr. Speaker, not wishing to abuse the House time but wanting the full benefit of the member's experience, I thought I might also ask a question in relation to the specific amendments in front of us, particularly the amendment dealing with intervener funding.

When we sat together on committee in the previous Parliament, the hon. member for Davenport was quite supportive of intervener funding and in fact had some very specific comments about how to put intervener funding into place.

Given the vagueness of the intervener funding amendment in front of us today, would the member be willing to consider supporting a much broader and perhaps more detailed amendment specific to intervener funding?

**Mr. Caccia:** Mr. Speaker, there is a well–established rule that a chair of a committee should play as impartial a role as possible. Not only that, but the chair should not take a route or a position before an analysis and examination of a bill takes place in committee. The member for Davenport happens to be the chair of the committee on the environment and sustainable development. It really would not be appropriate to indicate what he would entertain or support, considering the fact that in most cases the decision is made by the members with the chair abstaining.

• (1700)

I am sure the government, having introduced this amendment, will be willing to look at any positive contributions made in order to make the legislation more effective.

I would like to give that assurance to the member for The Battlefords—Meadow Lake.

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, it is a pleasure to speak to this bill today.

I must compliment the chair of the environmental committee, the hon. member for Davenport, who has an outstanding reputation of being fair and quite articulate on this issue. He did make a comment about serving the agenda of the Bloc. I do not know how one can get away from that agenda. I guess they are just going to call it the way they want and regardless of whether the issue is in the national interest of Canadians, we are going to get it from them as far as the separatist agenda is concerned.

I suppose what we have today is a party of good intentions here with the Liberals and a party of "what's in it for me" from the separatists. That is truly unfortunate when it comes to the environment.

The member for Comox—Alberni, who is our critic for the environment, raised some very good questions—they were addressed by the member for Davenport—about some precautions that should be taken in a bill such as this. Precautions such as, how do the aboriginal peoples fit into this? Do they come under this umbrella? I certainly hope they do. What kind of costs will be involved in assessments? I realize we are cost conscious. I am sure the government will keep that in mind and the idea of a single track, the division of responsibility.

In my previous job, doing a lot of construction in the hundreds of millions of dollars, our biggest problem was duplicity of roles with federal fisheries, for instance. It was really a nightmare when you are trying to develop projects in the $20 million range, trying to deal with federal and provincial fisheries and every other bureaucrat who can get involved in these things. They tend to just look at the words that are written down in black and white and overlook the fact that there are some very good projects out there. They tend to be, I think, overly protective and in some cases overly pushy.

Rather than just push one way, the environment is a two–way street. It is something we have to keep in mind.

We support Bill C–56 and I am glad to speak to that support. I do not often get to say this to the Liberal government, but it has come a fair distance to the way our party thinks. It is quite easy to stand here and talk about the failures in the criminal justice system, immigration and finance. However, you have to give credit where credit is due and it is due here today.

Why should we not support such an environmental bill? Canada's identity should be rooted in a fresh appreciation for our land. We have gone too long without a renewal of our appreciation for our land. A lot of things that happen today, the garbage that is strewn throughout our countryside, shows that we need a fresh appreciation of things. That applies to young people as much as to business people today. More often than not

a project must be developed and built and environmental impacts are overlooked. Our vision for the future is inspired by the importance of our well–being, of exploring, developing, renewing and conserving our environment. We have to leave our young people with something. We have to leave them with a good, clean environment and that is where this bill comes in. We also have to leave them with a little of their pay cheque, which the government has not got into its mind set yet but we will get it there eventually. Meanwhile the government is coming along on the environment so we will applaud it for that.

• (1705)

We strongly support ensuring that all Canadians and their descendants live in a clean and healthy environment. I suppose we all do that, notwithstanding political agendas, with the exception of this separatist body here from which I am hearing that there are almost two standards; a federal standard and a Quebec standard. If the federal standard is higher than the Quebec standard, this group seems to think that it is okay, we'll go to the lower standard, as long as it is in their best interests. That is not good enough today in Canada.

We must have the concept of public education programs, of environmentally conscious purchasing. The federal government should take a leadership role in environmentally conscious purchasing while encouraging the private sector to follow.

I do not know how easy this is going to be for the federal government. In the organization that I was in before I tried environmental purchasing. One of the biggest problems was getting suppliers to give you some environmentally sound products. They do not produce them in bulk. When the federal government goes—heaven only knows how much paper this place uses—to get environmentally conscious products it may be difficult. However the federal government has an obligation to push in that direction.

We must buy into the principle of sustainable development, which balances the need for a healthy environment with the continued growth and progress of Canada's economy.

Sustainable development can be defined as meeting the needs of the present without compromising our ability to meet the needs of the future. "Environmental considerations must carry equal weight with the economic, social and technical considerations of a project". This is a big statement. The government should really look at this as one of the main principles of the environment. Because in most projects, regardless of whether they are a $30,000 project or a $10 million or $20 million project, what gets lost oftentimes because you are trying to cut costs is the environmental consideration. Somewhere along the line we have to look at it as having equal weight with the economic, social and technical considerations.

I would like the Liberal government to consider that very carefully.

We must see the integration of environmental and economic objectives in all areas of management in which the federal government has jurisdiction. We must support the integration of energy development and environmental conservation by ensuring that the cost of energy development includes the associated costs of environmental protection and by supporting conservation of energy and the development of alternative energy sources for the purposes of environmental protection.

We all know that we have to establish clear federal–provincial jurisdiction over environmental matters to reduce duplication, confusion and unnecessary regulations. We also have to promote partnerships with provincial governments, private industry and educational institutions and the public to promote environmental protection.

Our greatest resource today is sitting in high schools and elementary schools. I have been in that business at one time or another and very little of a sustainable, consistent curriculum on the environment is put forward. A lot of schools go out on field trips and they talk about it, but it is not really a consistent issue with our young people. That is where we have to start. Our young people will be the developers of tomorrow and they will be the ones who will come under the umbrella of these assessments that will be made under this act.

• (1710)

We support the development of environmental regulations through consultation of industry and the public. We must support the multi–partite round table approach as a means of finding common ground when developing environmental measures.

Multi–party round table approaches will work if the issue is important enough to all parties. We do try. We have seen the attempt to get the health round table discussions going. It is not working. The provinces are opting out. A lot of it has to do with the fact that the federal government is not offering enough to the provinces in the partnership. In the environment we all have an equal role. A lot of it is not necessarily money. It is articulation. It is experience.

We should make government sponsored research available to the private sector. I emphasize the private sector. Once we get it into the public sector we are back again to all of these grants on which governments, Liberal and Conservative, year after year have made mistakes. They tend to become patronage pots.

If we can just let the private sector lead, they will come up with better, higher quality environmental impact assessments than will governments. We sometimes fall into the pit and think that only governments can do a good job. That really is not so.

**An hon. member:** And post offices.

**Mr. White (Fraser Valley West):** And post offices, yes.

We must support industrial research and development so that in the future emissions from industry will be subject to controls, such that water discharged from industrial plants will be equal or better quality than the water taken into the plant for its use and gaseous emissions will not be harmful.

Can you imagine having a standard, a principle that high, that the water going out of plants will be of just as high a quality as the water going into plants? That is amazing. Those are tough measures. Those are the standards that we have to set up here. These are the federal standards that my colleague from Davenport was talking about a little while ago.

If we set the federal standards this high and if those of a province are lower, I think most provinces would try to get up to the higher standard, notwithstanding the separatist agenda.

We must support the restoration of programs for those parts of our environment which have been damaged as a result of inadequate regulations or a lack of proper enforcement of the regulations.

This party supports the principle that polluters shall pay for its pollution controls. This should be stringently enforced and the penalties will be severe enough that polluters will not consider them as a licence fee to pollute.

A lot of what I just talked about are principles or guidelines to which the Reform Party adheres. They are not necessarily coming from me but I ascribe to all of them. A lot of these principles that we have fit into where the government is going. That is nice to see.

There are four types of environmental assessments which have been covered to some extent. I want to review them for the folks that are listening and watching and so everyone understands. We have a screening process to assess projects. Then we get a comprehensive study. These are incremental. The screening process is basically for smaller projects. Then we move to a comprehensive study, then to mediation if required and then to a review by an independent public panel.

I have negotiated many labour agreements in my day. I have been in many mediation exercises. I know that is probably the best solution when we run into problems rather than ending up with a black and white issue where the parties are win–lose. Both parties can win in mediation. I commend the government for coming up with mediation. Let us hope it works.

I want to speak for a few minutes about my concern of where the environment is going. That hits home for me as it affects the folks of Matsqui, Aldergrove and Abbotsford in my riding in the Fraser Valley in terms of air quality. The brown scourge that sits over the Fraser Valley today from emissions from Vancouver is not only concerning but downright scary.

• (1715)

If we walk out into the backyards of my home or any of the homes in Fraser Valley and run our fingers across a white table that has been outside for two or three days, there is black pitch coming from the skies. There are diseases. There are effects.

We are looking at the assessment of new projects coming into the country. The government has to take some concrete action on some old things that are kicking around. Air quality is one of considerable importance to the Fraser Valley. It is not addressed here, that I am aware of.

I have a word for the wise. The government should not forget those things that exist and just think that Canadians will say: "You have a good bill here". It affects all things that might happen in the future. There are things in existence such as air quality and water quality in the Fraser Valley that are deteriorating substantially.

I am going to use my remaining three minutes on what is wrong in the Fraser Valley. I hope it will influence the Liberal government and maybe get it to move a little better than it has on other issues such as immigration, finances and the criminal justice system. I always have to remind government members of that because they forget so easily over there. Here are comments that have come out of some in depth studies: "environmental agencies are urging lower mainland residents to minimize the use of their cars until smog levels drop".

Can we imagine in Canada today that the lower mainland of British Columbia is getting like Los Angeles? It is hard to believe. When I moved there in 1981 Mount Baker could be seen as a pristine white mountain. It could be seen very clearly. Now on any day there is a brown scourge there. People are afraid.

"The unprecedented request, the first in B.C. since the regional, provincial and federal governments set up a warning system in June, came Thursday as another hot sunny day and a layer of warm air trapped air pollutants over the Fraser Valley".

It is ironic, is it not, that the federal and provincial governments set up a warning system about air quality? I am here to tell the government that we are not interested in warning systems. We are interested in repair, in fixing the problem. It is useless to warn residents that the air quality is poor. We want the problem fixed.

A new public health study suggests that lower mainland residents are getting sick and even dying from air pollution. The study is part of an unprecedented $10 million. It is yet another study, by the way. A multi-disciplinary research effort in the Fraser Valley last summer looked at what happened to the lungs of 58 farm workers from Matsqui and Abbotsford who worked long hours outdoors. That is when pollutants from tailpipes and smokestacks combine in sunlight to form a powerful lung irritant called ground level ozone pollution, the same smog that plagues car choked Los Angeles.

I could go on but I see my time is running out. It is important to emphasize to government that while the bill addresses the new projects, and that is great, there is a bigger responsibility. There are a lot of pollutants. There are a lot of things that must be addressed that exist today in Canada. I ask the government to look at those as well.

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, I thank the hon. member for Fraser Valley West for his support for the bill before us today. I would like to inform him that the Standing Committee on the Environment and Sustainable Development will be in his part of the world one month from now. We will be holding public hearings in Vancouver on December 1, 2 and 3. At the urging of his hon. colleague, the member for Comox—Alberni, we will be examining some of the issues that he raised in the House this afternoon, particularly the condition of water in the Fraser Valley River estuary. If there is a link between the condition of air quality, the smog that he referred to and the chemicals that are emitted into the atmosphere by various activities in his region, we will have an opportunity to look at that as well.

• (1720)

The Liberal administration in Parliament is certainly moving swiftly along the track that he is recommending this afternoon.

**Mr. White (Fraser Valley West):** Mr. Speaker, that is good news. I would suggest the committee has its hearings outside and breathe a little of the unfiltered air. Maybe that will move it on a bit. Perhaps the committee might even want to bring one of the Bloc members to see that other parts of Canada have similar problems to those in Quebec.

I have another point. The regulations by which we all live, the law or the legislation, are being changed. I trust members of the group that is coming to the Fraser Valley will enlist comments from ordinary residents and get a bit away from the lobby groups. I understand that is important, but they also need to talk to the people who own the houses that are dirty now. They need to talk to the people who are affected, such as farmers. They need to talk to the people who drink that rotten water out there with the nitrates in it.

They really should not surface scratch the issue. They have to go a little deeper and get down to where the problems really are. I hope this is not just another cursory discussion in a community. I will be there and I will be asking some questions along with a whole bunch of regular folk.

**Mr. Paul DeVillers (Simcoe North, Lib.):** Mr. Speaker, my question for the member concerns his comments about yet another study. It is a refrain that we frequently hear from members of his party. Yet when he is advised a committee would be going to his riding he seems to be quite supportive. I wonder if he could explain the inconsistency in that approach for us.

**Mr. White (Fraser Valley West):** Mr. Speaker, I cannot stop the government from undertaking timely and wasteful studies. I doubt very much whether it even looked at the Conservative studies that were undertaken on the matter before.

There is no question about how much money the government wastes. If I am stuck with a group coming in to talk, I am stuck with it. This is a majority government and we cannot stop it. However I can tell the member that when he comes to the town where I live there will be people asking questions. The government is going to get its dollars worth out of our town because we have a lot to say.

They spend a lot of money over there on studies, grants and whatnot, but this time they will earn their money when they come to our town.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I have a couple questions which I will put individually to the hon. member.

I was quite pleased to hear that he and his party support the principle of polluter pay. It is something that I have supported for quite some time. It was refreshing to hear that the hon. member supports the concept as well.

I am wondering, given his respect for the Criminal Code, if he is prepared to take the issue of polluter pay one step further. There has been talk over the years of adding crimes against the environment as a new section of the Criminal Code and applying Criminal Code type penalties and approaches to crimes against the environment. I am wondering if the member would also support that principle.

• (1725)

**Mr. White (Fraser Valley West):** Mr. Speaker, actually it is Reform Party policy that we would go further than fines for polluters. I am not sure at this point how far in the Criminal Code we would take it. I am sure it is going to be a subject for debate within our own party.

The fact is that fines to major corporations make about as much sense at times as the fines given to drug pushers. Many drug pushers today get $2,000 fines. They turn around and go out and sell whatever they are selling, heroin or crack. They

make that in 20 minutes or less. If we look at that in the context of a corporation making multimillions of dollars, to fine them small $2,000 or $3,000 fines is a waste of time.

There has to be a better way, and I think the better way is through other kinds of penalties. It is not only part of our policy. We will be looking at it in depth as soon as we become government in three years.

**Mr. Taylor:** Mr. Speaker, in response to the member's earlier comments about the Fraser Valley and air quality, I am wondering if he has opinions about other issues, that perhaps a federal environmental assessment could be done in relation to the Alcan project in British Columbia or the Clayoquot Sound issue in British Columbia. Are these also issues on which the member believes a federal environmental assessment process could be entertained?

**Mr. White (Fraser Valley West):** Mr. Speaker, somebody over there said I have an opinion on everything; they are probably right.

The assessment of projects, if I have the question right, is applicable to virtually all projects, big or small. Kemano is a good example and that is being undertaken now of course. I do not think it is not the size of the project. I think it is the effect the project may have on our environment.

I think I have answered the question. I am not quite sure. I will leave it at that.

[*Translation*]

**Mr. Martin Cauchon (Outremont, Lib.):** Mr. Speaker, I am especially happy today to join the Minister of the Environment in speaking to Bill C–56, an Act to amend the Canadian Environmental Assessment Act.

I think that in analyzing this bill, we must pay close attention to the actions of Opposition members, particularly members of the Official Opposition. In addressing environmental assessments, the Bloc Quebecois clearly showed that its mandate has nothing to do with protecting Quebecers' interests. In fact, the Bloc stubbornly criticizes the proclamation of the Canadian Environmental Assessment Act, which was designed by its own leader. These actions confirm that the only goal of the Official Opposition, the Bloc Quebecois, is to look after the interests of Quebec's separatist government.

As the leader of the Bloc has often said, the environment has no borders. In an interview published in the October 13 edition of *The Gazette*, the hon. member who is the leader of the Bloc Quebecois said this in English:

[*English*]

The problem is that the word environment never appears in the Constitution so the provinces and the federal government are condemned to work jointly. They have to work together. If they do not it is chaos.

• (1730)

[*Translation*]

All levels of government share a great and noble responsibility with regard to the environment. All levels of government in Canada have a responsibility to ensure that development is carried out in a rational way while at the same time respecting the natural balance.

It is clear that Canadians want jobs, but not at the expense of their children or the environment. Of all the tools available to protect the environment, the environmental assessment is undoubtedly the most effective. In fact, environmental assessment is inexpensive preventive medicine. It gives us advance warning of the possible environmental impact of a project and it promotes informed public participation in the decision–making process.

If members of this House agree that environmental jurisdiction is shared and that environmental assessment is a good way to prevent pollution, how can we explain that some members opposite stubbornly insist on condemning the proclamation of this bill? Let us briefly look together at the so–called problems raised by the Bloc's environment critic.

When the Minister of the Environment on October 6 announced the government's decision to proclaim the law, the Bloc critic condemned this as a federal attempt to interfere in provincial jurisdiction. Of course, such reaction from the Bloc Quebecois is quite natural. I must say that I was stupefied when I heard those remarks about Bill C–56.

In fact, what Bill C–56 does is exactly the opposite of what the Bloc is again trying to have all Quebecers believe. If the federal government wanted to meddle in provincial affairs or make things difficult for Quebec by interfering with its economic development, it would not propose the Canadian Environmental Assessment Act. It would keep the famous 1984 EARP Guidelines Order and it would use it systematically.

Why? Because that order allows the federal government to examine the environmental impact of any proposal over which it has a decision–making power. Do you know how the term "proposal" is defined in the order? It is described as any undertaking or activity over which the government has a say in the decision process.

In concrete terms, this means every project, activity and initiative in which the federal government is involved. It also includes all direct and indirect subsidies to provinces, including equalization payments, as well as every Canada–Quebec agreement on regional development, and all federal subsidies to businesses. That definition also includes hundreds of licences, permits and authorizations delivered every day by the federal government.

When he was Canada's Minister of the Environment, the Bloc Quebecois leader did read the EARP Guidelines Order. He also read the Supreme Court decisions and he quickly realized that if the order were to be applied like an act, as instructed by the courts, the federal government would find itself in an impossible situation. This is why he demanded that a reform be implemented as quickly as possible. I must admit that the Bloc critic did a nice song and dance. She said that the Canadian Environmental Assessment Act was unacceptable because it differs from Bill C–78 which, as you remember, had been submitted to Cabinet by the member for Lac–Saint–Jean just a few days before his sudden resignation from the Conservative government.

• (1735)

For once, the Bloc critic is partially right when she talks about differences. Dozens of amendments were proposed by the House of Commons committee and by the Canadian Council of Ministers of the Environment, which represents the interests of all the provinces regarding environmental issues.

Let us examine the main amendments together briefly. First of all, approximately ten changes to the Bouchard bill were meant to facilitate the alignment of the federal and the provincial processes. Thus, the Minister of the Environment is now required to consult the provinces and to co–operate with them before any review panel is formed. Other amendments give the federal authorities the power to delegate to the provinces the preliminary reviews, the in–depth studies, the mitigation measures and even the follow–up programs.

Therefore, what we have here is a possible delegation of most of the environmental assessments done by the federal government. Some other changes promote public participation. Several clauses were added to restrain the discretion formerly afforded the federal authorities.

The Bouchard bill was amended so that the uncertainties about the implementation of the legislation would be reduced, including in the area of federal activities. But the preamble of that bill was changed to include the concept of sustainable development.

Therefore, the Bloc critic is right. The Bouchard bill was amended in several important ways. I would like her to say, for the benefit of the House, what amendments are rejected by her party. In fact, all of the amendments to this famous bill we just saw and reviewed are consistent with the vision of this government, a vision where the objective is to make sure we can act according to the present policy, based first and foremost on a progressive federalism.

This bill means that we are going to work together with all the provinces and also with the general public, and that is what irks the Official Opposition. This bill is a prime example of how federalism can work when you believe in it. That is the problem with the Official Opposition. When they talk about federalism, they certainly do not want this system, which is probably the best system in the world, to operate properly. That is why they say every time that if the Leader of the Bloc left the Conservative government at the time, it was because he believed and knew that the system no longer worked.

I think it is too early to throw in the towel on a system that is evolving and responding to the needs of the people. Not just in Quebec but in Canada as well, people say that federalism has problems. My answer to that is thank God federalism has problems, because this means people have changed, people have evolved, and our duty as parliamentarians at the federal level, as members of this House, is to reflect on these changes and get together to ensure that the political system under which we live, that the federal system under which we are evolving also evolves in line with the expectations of the public.

This was just a brief digression. I will get back to the bill.

• (1740)

And if the Canadian Environmental Assessment Act were an attempt by the federal government to encroach on Quebec's jurisdiction, as I said earlier, let the Bloc critic explain why four successive federal Ministers of the Environment came from the Conservative Quebec caucus and were so closely involved in this reform? They designed it, tabled it in the House, made amendments, passed it and defended it during the last federal election. According to the philosophy of the Bloc Quebecois, we would have to say that probably all the Quebecers who were committed to this bill were on the wrong track.

In fact, the question is: Does the Bloc have a monopoly on brains? Were these people who spoke out in favour of the bill all wrong? The answer is simple. As I said earlier, the bill is such an eloquent example of viable federalism that obviously they would be ill–advised to react positively to the bill, since these people, and I am probably repeating myself, are intent on only one thing, and that is the separation of Quebec.

Unfortunately, in the process they have lost the ability to think objectively, thereby jeopardizing the interests of all Quebecers. Well, the people who supported this bill were not all wrong. The comments of the critic for the Bloc Quebecois seem to point to the presence of a transmission belt linking her office with the Quebec government's Department of Intergovernmental Affairs. The problem of the Bloc Quebecois right now is that it is only a mouthpiece. We could say that it is the secretariat of the Parti Quebecois. Members of the Bloc no longer have their own identity, their own way of thinking. They do not have a specific way of being, a specific philosophy. They are like puppets controlled by the government of Quebec which is following a separation agenda.

Since I am informed that time is flying, I will simply say that this bill, like many an initiative from this government, is a highly symbolic expression of dialogue. We proved in the past that when there is a will to co–operate we can progress. Let us remember, for example, the St. Lawrence—Vision 2000 project.

This is a vibrant example of federal, provincial and municipal co–operation. Let us remember the agreements under the infrastructure program which helped renew our social infrastructure and put a number of people back to work. Recently, last June in fact, there was an agreement between the provinces to do away with economic barriers. Is it not proof that federalism works?

Clearly, this legislation is in the same vein and shows the same kind of vision. This is why members of the Official Opposition have every reason to make the people of Quebec believe that this legislation is useless and even harmful to the whole of Quebec.

In 1981, 13 years ago, the government of the Parti Quebecois passed the Environment Quality Act. At the same time, it adopted regulations listing the kind of projects which would be subject to hearings by the Quebec Bureau d'audiences publiques sur l'environnement.

Unfortunately, the Quebec government forgot to proclaim certain key sections of the regulations and today, 13 years later, the Parti Quebecois government's process only deals with dams, roads and marinas. There is no public assessment of industrial projects, no public assessment of mining projects and no public assessment of aluminum plants.

• (1745)

I would like to conclude, if I may, Mr. Speaker, on a very important point, namely the harmonization of the federal and provincial processes. For the past several months, the members of the Canadian Council of Ministers of the Environment have been looking for ways to facilitate harmonization. Their objective is to agree on the implementation of the principle of one environmental assessment for each project, regardless of the number of decision–makers. It is an arduous task requiring the participation of all provinces.

Nevertheless, the Quebec environment minister recently announced that he was withdrawing his officials from the federal–provincial consultations on environmental assessment. This decision could hurt Quebec businesses as well as Quebecers looking for a job. The president of the Conseil du patronat du Québec recently condemned this hasty decision on the part of the Quebec environment minister. Other organizations are to follow suit.

To conclude, if the Bloc members want to show that they are more concerned about the interests of Quebecers that they are about their obsession to separate, they should do two things in this House. First, they should support the proclamation of the Canadian Environmental Assessment Act and the amendments proposed by the environment minister.

Second, if these people were acting reasonably and for the sake of all Quebecers, they would recognize the appropriateness of this bill for the future of Quebec, the future of Canada and the well–being of federalism. They would also have the courage to demand that the Quebec environment minister change his mind and take part again in the work of the Canadian Council of Ministers of the Environment on the harmonization of the environmental assessment process. This is what they would do if only they had enough courage.

**The Acting Speaker (Mr. Kilger):** Before we proceed with questions and comments, the government whip has the floor on a point of order.

[*English*]

**Mr. Boudria:** Mr. Speaker, pursuant to Standing Order 43(2), I wish to inform you that the next speakers from the government will be sharing their time.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I am pleased to put a question to the member for Outremont who I think spoke quite well on the bill and other matters. It is partly the other matters that I want to address in my opening comments before I place my question.

The debate through most of today centred around issues within the province of Quebec. With the exception of comments earlier in the day the government speakers have all represented Quebec ridings this afternoon so far, including the parliamentary secretary, the member for Davenport—I apologize, Mr. Speaker, I just realize the member for Davenport is from Ontario. I have to rephrase my question.

The comments today have centred around the jurisdiction of the province of Quebec. The member for Outremont rightly speaks for his constituents and the people of his province. I believe the question of jurisdiction while it is an important one is not the only question that we have to deal with in this House.

I had expected members of the Bloc Quebecois at least in one of their speeches today as members representing the Official Opposition to raise some of the issues which are important to the rest of Canada, issues that are over and above the questions of jurisdiction.

The member for Outremont must be aware that the province of Quebec would have to participate in joint panels if this bill came into force with the amendments put forward today.

• (1750)

How would the member for Outremont advise the members of his government to deal with the province of Quebec in matters where confrontation might exist over the issues of not only jurisdiction but of the joint panels that must be created under the auspices of the act?

**Mr. Cauchon:** Mr. Speaker, I must say that this is an interesting question, one that was partially answered in my speech.

As I said, there is already a joint committee sitting at the level of all the environment ministers of all the provinces. They are all sitting in order to discuss what we are going to do about the environment in this country.

[*Translation*]

They are trying to set national standards so that we can have legislation or at least an environmental policy that will be consistent from coast to coast.

As I mentioned in my speech—

[*English*]

Unfortunately the Minister of the Environment of the province of Quebec declared weeks ago that it does not want to participate any more in that process. According to the minister it is a question of jurisdiction; the environment belongs to the provinces.

[*Translation*]

So, as I mentioned in my speech, that question has already been answered. The problem is that the Quebec Minister of the Environment refuses to participate in this process and, as I explained earlier, that is where there is a lack of objectivity. Every time we try to sit down with the government of Quebec or the Official Opposition to discuss national standards or other issues for the benefit of Quebecers and all Canadians, they refuse to take part in such discussions.

I think it is time we start telling Quebecers that the federal government is not as bad as some people would like them to believe and that the present federal government is actually very open.

This brings me to say a few words about the issue of social reform. You will understand that we cannot give these people any credibility when we have just undertaken a social reform process in which we want to consult Canadians so that they can participate in the development of a new government policy.

We are just through the first stage, which was the tabling of a discussion paper. The consultation process will follow—actually, it has already started. So we are still in the early stages of this reform and the ministers responsible in Quebec are already complaining that the federal government wants to interfere in areas under provincial jurisdiction, that the federal government is again picking on Quebec. I do not understand anything any more. If the government presents a discussion paper and wants to consult people, if this is interpreted as wanting to invade Quebec, I will have to take Politics 101 over again.

I do not understand anything any more, but it is obvious. Since the federal government wants to act openly and present a bill to reform part of our federal system, namely our social programs, they absolutely do not want to see this process succeed.

[*English*]

I must say that it is the same with the question of the environment. When we are discussing that subject, they do not want to enter into discussion with our government. They want to separate. They want to move apart so they will not be with us any more. As such it is going to be very difficult to deal with them over the next few years.

**Mr. Taylor:** Mr. Speaker, the hon. member puts a lot of stake in consultation. I applaud him for that because I believe that consulting is an important part of governing.

This bill contains just three provisions. One of those provisions is the opportunity for participation by Canadians through an intervener funding program or a participant funding program. That is a very important part of the consultation process inherent in environmental assessment.

• (1755)

The amendment in front of us provides a very vague approach to participant funding. Can the member give us any indication as to whether he would be supportive of a more specific intervener funding program to ensure that there are adequate resources available to those who wish to participate in the process and those who wish to be consulted during the process of environmental assessment?

**Mr. Cauchon:** Mr. Speaker, on the question of funding for people who want to proceed and be accepted in the consultation process, we should have a look at what we are doing. Actually the minister of human resources in his consultations on social reform decided that he will proceed with some funding for organizations across Canada.

I believe that on that specific point we have to respect the discretionary power of the minister. It depends on what process we are going ahead with. If it is a huge transformation in that field against it then the discretion of the minister will be used accordingly. I am very much in favour of the discretion that we kept in that bill.

**Ms. Margaret Bridgman (Surrey North, Ref.):** Mr. Speaker, it is my pleasure to rise in the House today to speak on Bill C–56, an act to amend the Canadian Environmental Assessment Act.

I would first like to make a few comments on our environment in a general sense. First, environment has a special meaning in my constituency of Surrey North. Surrey is one of the fastest growing communities in Canada. It has grown and expanded in recent years because of both immigration and migration. The immigration is mainly Asian and the migration is mainly people from the Vancouver area.

The constituency of Surrey North is a mixture of urban and rural with the urban increasing at the expense of the rural. That alteration along with the population growth and business expansion has caused concerns and greater awareness of the environmental impacts. That desire is truly tested by an explosive population growth.

One characteristic of the people of Surrey North and indeed the people of the west coast is the desire to preserve the natural climate and the environment as best they can. Numerous environmentally oriented projects are apparent in the daily activities of west coast citizens. A heightened awareness of the importance of environmental concerns is demonstrated through more and more presentations and/or questions being asked by citizens on such things as air and water pollution, the long range effects of cutting our trees, right down to their participation in recycling programs.

Second, another environmental concern is that the wild animals are losing their homelands due to the human population explosion and the effects of meeting our own needs for survival. Only our parks are destined, probably within the next century, to become homes for our wild animals unless we change our ways.

The British Isles would be a prime example of this. A couple of centuries ago large animals such as moose and bear roamed on that land through great stands of trees. Somewhere along the line lumber gave way to bricks for building the human dwellings and the moose, the bear, the large cats and other animals that were there gradually became thought of as being indigenous to North America.

Another example of the abuse of our environment seemingly for our need for survival is in the early days of our explorers, Jacques Cartier's time for example. During that time it was recorded that the fish were so plentiful off our east coast that his crew had a tough time getting the oars in the water to move their dinghy forward.

Today we are all aware of the present situation on the east coast where the stocks have been so depleted that the economic foundation and livelihood of a region has been seriously changed, perhaps forever. Not only is there an economic impact, the fish themselves are possibly close to being an endangered species.

• (1800)

Another example would be Easter Island where thriving civilizations cut trees to build homes and move great stone statues. Soon there were no trees left. The homes are no longer, the statues are stationary, and the once thriving civilization is all but gone.

Balancing the wants of people with the capabilities of the environment is a challenge which all communities must face. It is a challenge which people from Surrey have met so far. The industrial expansion of the past few years has not as far as we know had a negative impact on our environment. Surrey is a community that disproves the notion that industry necessarily hurts environment.

We must realize as a nation that we can have a thriving economy and a healthy environment at the same time. That is the sensible approach of the Reform Party. Our blue book states support for the concept of "sustainable development" because "without economic development and the income generated therefrom the environment will not be protected or enjoyed".

What Reformers recognize is garnered from what most Canadians recognize: the importance of the environment to our livelihood as a nation; the importance of the natural resources it provides for our economy and well–being; the variables of the vast geography and sometimes harsh climate that we must encounter; and the preservation of the pure beauty of the natural environment which never ceases to amaze us and visitors to our great nation. This we must preserve.

At the end of the last sitting I drove from Ottawa to Surrey. I was taken aback and awestruck by the absolute beauty and astounding diversity of our country, from the hills, trees, and unique rock formations of northern Ontario to the wide open prairies of Manitoba, Saskatchewan and Alberta, through the majestic Rockies and down to the scenic beauty of the west coast. If you are able to ignore the areas of clear cut and look past the smoke billowing from some factory or mill, the drive across our country is an experience all Canadians should share. Only after a drive like that does one realize the magnitude, greatness and potential of our country.

We must always strive to maintain that close link between people and their natural environment in this country and continually improve our understanding of the earth itself and our effects upon it. We are as individuals much more aware today of our environment and the effects our actions can have upon it. We are also very aware that the various levels of government are actively involved in the decision making process for many of these very actions involving our environment.

Bill C–56 including the three amendments is a small step forward at the federal level to enhance the process of achieving these decisions. It would be helpful first to take a look at the Canadian Environmental Assessment Act itself.

The act requires the federal government to study the environmental impacts of a whole range of projects that until now have escaped public scrutiny. Environmental assessments have been done in the past and have not carried the weight they should in the making of the final decision. Economic considerations have had the tendency to rank higher in importance in the decision making process.

The Canadian Environmental Assessment Act creates the Canadian Environmental Assessment Agency. This agency replaces the Federal Environmental Assessment Review Office. This office was criticized for being costly because of overlap and duplication and for being inconsistently applied. Replacing one office with another may not in itself improve the situation

but the review and revisions and upgrading of the regulations governing the agency's role could very well be the key to an improved performance. The failure of the federal government to provide clear guidelines led to court challenges of high profile projects such as the Oldman River dam in Alberta and the Rafferty–Alameda dam in Saskatchewan.

Under the Canadian Environmental Assessment Act four types of environmental assessments are available to meet different projects and circumstances. One would be screening, two would be comprehensive study, three would be mediation, and four would be a review by an independent panel.

• (1805)

The Canadian Environmental Assessment Act was a bill proposed and passed by the former Conservative government. However the act once passed was never proclaimed, meaning that it never came into force.

In the red book the Liberals promised to amend the Canadian Environmental Assessment Act "to shift the decision making powers to an independent Canadian environmental assessment agency subject to appeal to the cabinet". That is on page 64 of the red book.

On October 6, 1994 the government issued a press release stating its intent to proclaim the Canadian Environmental Assessment Act. The reasons for the Conservatives not proclaiming the act that they passed may not be known for certain, but a reasonable guess is because of the wrangling among the industry and environmental groups and among federal and provincial bureaucrats and politicians over the act in general and certain regulations in particular.

The former and present Quebec governments opposed this act. The former Liberal environmental minister for Quebec, Pierre Paradis, appeared before the Senate in an attempt to block the bill. And I understand that the present environmental minister for Quebec is publicly opposing the proclamation of this act.

On this issue one must sympathize with the federal government, for two reasons: first, that the citizens of the country want the federal government to be active in the protection of the environment; and second, because the environment is an area not outlined in the Constitution under federal and provincial jurisdiction. There are to date no clear guidelines for the federal government to follow in this area.

The federal government must play an active role in the protection of the environment and develop clear effective guidelines for environmental issues and concerns. The Reform Party recognizes the need for federal leadership in this area.

Also the new Liberal government has made changes in the regulations of the original act and has proposed amendments to try to satisfy the concerns of some groups. One change in the bill is the dropping of the controversial provision that would have forced environmental reviews of energy exports. This change was apparently welcomed by the oil and gas and hydroelectric industries but criticized by environmental groups.

With regard to the federal–provincial jurisdiction, the federal Minister of the Environment is able to develop co–ordinated environmental assessment procedures for conducting joint panel reviews, thus preventing overlap and jurisdictional conflict. The Reform Party supports the co–ordination between the federal and provincial governments on environment action. We support the reduction of duplication, confusion and unnecessary regulation by developing and applying environmental criteria through a joint federal–provincial process.

The present regulations of the Canadian Environmental Assessment Act divide the project into four categories: a comprehensive study list; a law list; an exclusion list; and an inclusion list.

The comprehensive study list describes those types of projects that must be assessed through a more detailed study. The law list is a list of licences, permits, certificates and other regulatory authorizations which are required for certain projects. An environmental assessment would be triggered in this case. The exclusion list describes those undertakings in relation to a physical work that do not require an environmental assessment. The inclusion list relates only to those projects that are a physical activity not related to physical work. It occurs when a federal agency issues a permit or a licence.

At the same time that the government announced its intention to proclaim the Canadian Environmental Assessment Act it announced its intention to bring forward three amendments to the act. These amendments comprise Bill C–56.

One amendment is to legally entrench the participant funding program which is an amendment to section 58 of the CEAA. This allows for intervener funding for public participation in the review process. I agree that public participation should be encouraged as long as the funds come from within the current department allocations or budget.

• (1810)

Another amendment is to section 37 of the Canadian Environmental Assessment Act. It requires a cabinet decision to respond to the recommendations of independent environmental assessment panels. Previously this decision was made by the minister only. By making it a cabinet decision opens it up for more debate and scrutiny and makes the decision process much more democratic.

The last amendment amending section 24 of the CEAA confirms the principle of one project, one assessment in the act. This aspect of the bill is very encouraging. It addresses the possibility of numerous environmental assessments being done by the various federal departments involved and now groups all that into one assessment.

One project, one assessment makes for logical reasoning as well as indicating some fiscal responsibility and some consideration as to more efficient implementation of the project's timetable. Instead of each department involved, for example, industry, transport, environment, et cetera doing its own assessment over a period of time a panel or committee is struck with representation from all departments to participate in one assessment.

This amendment should alleviate the concerns of business to require permits from several federal departments. Under this amendment instead of businesses facing multiple reviews they would be subject to only one federal assessment. Also this principle of one assessment should lower the cost compared to having to do several assessments. Another benefit would be to speed up the process of implementation of the actual plan. Participants would not have to wait for several months or years for all the assessments to come in.

An improvement on this process would be to bring provincial representation in on the same assessment committee. This harmonizing would prevent the possibility of federal and provincial assessments contradicting each other. It also provides for one assessment, not one at the federal level and one or more at the provincial level.

In conclusion, I would like to reiterate two of my previous statements. First, our environment is of major importance to us and concerns relating to it should rank high in our decision making process. Second, Bill C–56 is definitely a small, progressive step forward in achieving this end.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I was quite pleased to hear the hon. member's commitment to the environment. Anyone who lives in western Canada is well aware of the beauty that exists, but all of us know that the environment involves much more than beauty. It is home, it sustains us. Anyone who lives on this planet knows that without the land, the air and the water to sustain us we are nothing. I am very pleased to hear of the hon. member's commitment to matters of environmental concern.

My question deals with intervener funding which is one of the amendments to the act. The member expressed support for intervener funding and outlined her concerns about additional spending with regard to intervener funding. While I believe there are probably arguments to be made in this regard, I would like to ask if the member has given any thought to the process of intervener funding.

Who would she consider should examine the list of possible interveners? Who would suggest to the panel which interveners would be funded? Should a panel be struck to do this? Would the panel itself make this decision? Should the Minister of the Environment or perhaps the President of the Treasury Board be responsible for making this decision?

• (1815)

**Ms. Bridgman:** Mr. Speaker, I thank the hon. member for his question. I agree with what he is saying. I can sympathize with his concerns.

When I was researching it myself it became very obvious that particular section of the bill was very vague from the actual process point of view. There does not seem to be any direction as to how that will actually transpire. I assume the results will be debated and discussed in committee.

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, the hon. member indicated support for funding of interveners in the process. As the hon. member is well aware, her party is taking the position that it is opposed to the court challenges program.

Could the hon. member comment on what appears to be an apparent contradiction of supporting intervener funding but not supporting the court challenges program which in effect is an intervener process?

**Ms. Bridgman:** Mr. Speaker, I thank the hon. member for his question. There are two possible approaches. First, when that program is actually put in place so that we can have that input in the panel from the community it becomes a component of the whole program and should be incorporated in the budget of the total program. It is not an additional program in itself. It is not an add on. It is part of the whole program and should be budgeted accordingly in the overall program.

Second, we are back to good old Reform policy and ideals, that is grassroots input. We firmly believe it is essential for the people in the community affected by the project to have access to express themselves to the committee. Again it should be formalized or structured access. That could come up in the process of how the input would come about. The whole program should be budgeted in total.

**Mr. Paul DeVillers (Simcoe North, Lib.):** Mr. Speaker, it gives me considerable pride to take part in today's second reading debate on the act to amend the Canadian Environment Assessment Act, CEAA.

In coming years the decisions we take or the consequences of those we fail to take with respect to the environment will have a profound impact on the legacy we leave our children and our children's children. Will the Canada they inherit be the same Canada that for the past three years the United Nations has called the best place in the world to live? Or, will the Canada they inherit be one in which our natural environment, the source

of many of the comparative advantages we enjoy, be compromised in order to meet the short term needs of today?

Some might consider my characterization of these options as mere rhetorical excess, but I profoundly believe these are the real choices we face.

[*Translation*]

The previous government spent a lot of time and energy to develop the legislation we are now discussing. Eight years ago, the then minister was the first to try to integrate a more rigorous environmental evaluation process into the laws of the land.

Ironically, his successor, now Leader of the Official Opposition, was the architect of the Canadian Environmental Assessment Act. I used the word "ironically" because I believe that all Canadians should be grateful to him for having developed a bill that is basically good but which the present Minister of Environment has improved and reinforced.

• (1820)

[*English*]

The Leader of the Opposition's successor actually tabled CEAA but was unable to galvanize the political support necessary within his own party to get it proclaimed. The current leader of the Progressive Conservative Party had his chance to move CEAA forward. He worked with both House and Senate committees to make several positive thoughtful changes to the original legislation but he too was unable to proclaim the act. Finally the last Minister of the Environment in the previous government was unable to get his government to focus on the urgent need for CEAA to be proclaimed.

The record is remarkable. Over a seven–year period no less than five ministers were unable to proclaim this important piece of legislation. The legislation represents reform which the overwhelming majority of Canadian environmental groups, industry associations, provincial governments and ordinary Canadians concerned about the environment agree is an absolute necessity.

There is an important lesson here to which I want to draw the attention of members. For various reasons certain misguided interests pulled out all the stops to try to prevent this forward looking piece of legislation from ever seeing the light of day. That is why the achievements of the Deputy Prime Minister and the Minister of the Environment on this file are all the more remarkable.

[*Translation*]

Actually, in less than a year, she was able to obtain the collaboration of interested groups in order to review the four key regulations that give the law its real scope and make them more precise, more concrete and more rigorous. The minister has reinforced the act by bringing forward an amendment forcing the Minister of Environment to establish a funding program that will allow an enlightened participation of the public to reviews and mediation processes.

The minister took steps so that the review commissions' recommendations receive due consideration by requiring that they be submitted to a cabinet decision. Following the wishes of the industry she induced an amendment so that decisions could be taken more rapidly and in a more co–ordinated way after environmental assessments, according to the principle of one evaluation per project. In less than a year, the minister did more than five Conservative ministers in eight years. Present and future generations of Canadians owe her a lot.

[*English*]

The 1987 report of the World Commission on Environment and Development pointed out that the environment is where we live and development is what we all do in attempting to improve our lot within the abode. The two are inseparable. The commission was right and remains so today.

Environment and economy are inseparable. An environmental assessment is the foundation upon which sustainable development can and must rest. Conducting environmental assessments makes both good economic and environmental sense. By integrating environmental concerns early in the planning stages before decisions are made, business and industry protect themselves from having to deal with environmental problems later on.

[*Translation*]

Several features of the new environmental assessment system are worthy of note. The first one is public participation, which is recognized as essential to any efficient environmental assessment. In fact, the Canadian Environmental Assessment Act provides the public with many opportunities to become involved in the various stages of the assessment process.

It provides for the establishment of a public registry to ensure the accessibility of the documents relating to any ongoing federal environmental assessment, including those conducted in co–operation with a province. It sets into law a participant funding program ensuring that resources are made available to interested individuals and groups to participate efficiently in the process.

The second feature that I would like to mention reflects the federal government's commitment to changing decision–making practices throughout the federal administration. Recommendations from public review panels will be subject to a joint cabinet decision. Another amendment is designed to ensure that only one federal environmental assessment is conducted with respect to a project, which will permit better coordination of the decision–making process in projects where more than one federal department or agency is involved.

All these interrelated measures will have the effect of making federal departments and agencies, as well as cabinet, more responsible for the environmental impact of their decisions. These measures are an important step in the development of a government–wide environmental culture.

The third feature is the creation and maintenance of a public registry accessible to all stakeholders. This provision will have a positive impact on environmental assessment, as an art and science, a new and growing discipline. With each assessment, more knowledge is gained regarding the complex, symbiotic interrelations between people, development and the environment.

• (1825)

[*English*]

It is not a static process. It is a living, breathing, interactive one. The use of public registries does more than just provide a rich source of relevant and accessible information for both project proponents and those likely to be impacted by a proposed development.

What is often overlooked is that the public registries provide a means of ensuring the institutional memory acquired in the conduct of the environmental assessment is preserved. Indeed the CEAA reform package we are debating has been carefully crafted with the notion that environmental assessment is a dynamic process firmly in mind.

The fact that we have provided expanded opportunities for public involvement throughout the environmental assessment process speaks eloquently to this point. We have no intention of allowing CEAA to become brittle or irrelevant. Its coming into force constitutes the beginning and not the end of the process of change. All parliamentarians regardless of political stripe have a responsibility to make it work and contribute to its success.

The previous government used words like effective, efficient, fair, open and transparent to describe its intentions vis–à–vis environmental assessment. We on this side of the House have acted quickly and decisively to give effect to those words by improving and proclaiming CEAA.

We have acted because we view sound stewardship over the environment as extremely important. Our actions serve to give real definition to the words. That is why all members of the House can and should support CEAA. We have a responsibility to act for future generations.

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, I compliment the member on his speech.

As we are both on the environment committee, I was curious about his research. I was unable to find the area that deals with ministerial discretion on whether or not to look at a project. I am referring specifically to the Kemano project in British Columbia where the former government basically said it did not need environmental assessment.

Was there anywhere the member looked when he was looking for material for his speech that would cover this in the new bill? I was unable to find any and it leaves me a bit uneasy that the minister still has the discretion to ignore or postpone an assessment.

**Mr. DeVillers:** Mr. Speaker, I thank the member for his question. As I understand the process the minister will be receiving advice from the environmental assessment agency that is being set up. I would hope that is how the system would work.

As the member well knows, the process provides for the bill to go to committee. These are issues and questions that we can raise at that level before final reading of the bill.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, the member spoke about the involvement of the current Minister of the Environment and gave her a considerable amount of credit for moving the bill forward when other ministers had been unable to do so.

I agree that the current Minister of the Environment has done what few have been able to do in the past, but I recognize what some of the problems are. One problem is simply that the bill came before cabinet on numerous occasions, just as the regulations came before cabinet on numerous occasions. The minister and others had to argue with other cabinet ministers concerning the ability of the cabinet to move the bill forward. Ministers with economic portfolios have always had a stronger say in cabinet than ministers of the environment.

• (1830)

I wonder if members recognize that one of the amendments provides for the greater authority of cabinet to have the final say on projects; not the panel, not the Minister of the Environment, but cabinet. Is the member prepared at committee to have a look at the structure of cabinet where the economic ministers have a very strong say in the kind of environmental legislation or regulations we have in our country?

**Mr. DeVillers:** Mr. Speaker, one consideration the member should take into account is that the proclamation and amendment of this bill was in the red book. It was part of the Liberal election platform. All cabinet ministers with economic portfolios or otherwise subscribe to the red book policy.

**Mr. Taylor:** Yes, but it took a year.

**Mr. DeVillers:** The member points out that it took a year. However, as I indicated in my comments, the former government had eight years and did not proclaim it. It has been passed.

To answer the question, would I be prepared to look at it at committee? It is my role in committee to look at all legitimate issues and to make appropriate recommendations.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I would like to begin by commenting on the remark by the member for The Battlefords—Meadow Lake who said this took a whole year.

This bill is not the only thing we have done in the last year. In fact, I was thinking as we went through this legislation today that I am absolutely amazed at how much of the red book agenda we have been able to get done in our first year. At the rate we are going we will have everything in the red book done within the first two years when the Prime Minister had said the red book agenda would happen over the term of the government.

I begin by complimenting the Minister of the Environment and Deputy Prime Minister for moving forward on this very important legislation, the Canadian Environmental Assessment Act. I believe that the balance sheet of a nation will be judged by the way we take care of our environment.

The environmental assessment legislation is a systematic method of identifying potential environmental consequences of a proposed project and its impact on people, their livelihood and way of life. If these environmental consequences are identified early in the planning stages, then plans can be modified so potential risks are minimized or ideally eliminated.

Environmental assessment is a very logical tool for achieving sustainable development, that is ensuring that the needs of present generations can be met while allowing future generations to meet their needs.

I believe the legislation will lead to a whole new measurement of the economy. In the past the environment really has not been driving the economic agenda in our country. In fact, the environment always got a short shrift.

• (1835)

I actually should go back to when my colleague from Davenport was the Minister of the Environment in the previous Liberal government. He was probably the first Minister of the Environment to give the issue such a determined, sustained approach. His tenacity in making sure that this issue was always on the front burner gave all of us in the Liberal Party a real example. The Deputy Prime Minister and Minister for the Environment is following through today with that commitment from the red book.

I noticed in a book that I was reading earlier in preparing for this debate, written by Julia Moulden and Patrick Carson, *Green Is Gold*, that we now have industries that are starting to realize that if they commit to greening themselves or committing themselves to the environmental movement that their balance sheets can be much more profitable.

Even though the member stated that we were a year getting to this bill, ideally it should have been one we handled in the first quarter. However the fact is that we have now got the bill in the system. It will no doubt pass, we will be setting up a whole new structure and the environment will now take on a priority position.

I would like to say to members opposite that this is a bill on which we must all be united. It is a bill that regrettably once again the Bloc Quebecois will not support, not because its members are not committed to the environment, but because once again whenever you come forward with a bill that talks about national standards, a bill that can galvanize the spirit of the country, legislation that can pull us all together, the Bloc is consistent in walking away from it. They find some excuse that it impinges on the rights of Quebecers.

If there is one thing that everyone is committed to in every part of Canada it is saving the planet. I believe that Quebecers, once they understand the true meaning of the bill, will probably urge some of their Bloc Quebecois members to be a little less political and a little more concerned about what truly is important for everyone in our society, especially for future generations.

I stand here today in total support of this bill.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I appreciated the comments from the hon. member. He has spoken on numerous occasions in the House on the environment, business and the economy. I always listen carefully to what he has to say.

I want to indicate that the matter that I was raising about it taking a year for the government to bring this bill in was in relation to the difficulties that ministers have sometimes in dealing with cabinet on environmental issues.

In the half minute available to me, I want to say that the minister probably could have brought in the bill in the first quarter. Consultation with environmental organizations and industry was concluded relatively early in the process. But the process of getting the new regulations through cabinet was a very difficult task. Again I commend the minister but it shows that cabinet is still a very powerful body when it comes to dealing with issues like this.

If the government has the will to see that the environment will be a first priority, then the system works. If this government or the next government chooses not to have the environment as its top priority, then the system does not work. We have to ensure

that parliamentarians and Canadians all have an opportunity to respond to power when there is abuse. I just wanted to clarify that matter.

The member also indicated the accounting that occurs in the country. He talked about green accounting. I wonder if the member could tell me if he supports the principle of green accounting when we look at the way our country is developing. It is not an efficient economy based on GNP, growth and development. An efficient economy is one that is based on preservation and conservation as much as growth and development. Is that important to the member?

• (1840)

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, I want to say to the member that I appreciate the question. I believe we are on a pathway and that this bill will move us along that pathway more quickly in changing our whole system of calculation.

Some members have talked about—I know we have talked in our own policy group in my riding—about this new notion of a human development index rather than a GNP. The GNP system is not really sensitive to sustainable development. At least to this point it has not been.

I personally love the idea of exploring a whole new way of calculating the balance sheet, not only of our nation but of the planet. The GNP system of old falls off and we convert to a new human development index where the environment and sustainable development are the core factor and the driving factor in the equation.

I believe this cabinet and government is one of the first groups I have seen in a long time around here that has the courage to venture into those waters. The reason I say that is I see the reform we are going through in our social security system. I see the reform in so many other areas.

We are in a period of real reform on so many different issues. I am optimistic that in the not too distant future the whole notion of a human development index will be the new way we measure our whole economic system.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, it gives me pleasure to speak to the issue of the environment.

As we have heard today all of us are concerned about the environment. We are concerned about the air; we are concerned about the water; we are concerned about the soil around us.

Often we look at the environment and we see the radical end of things on the scale. Then we see the radical things on the industrial scale. As all of us recognize it is really the middle ground, the ground of compromise, co–operation and in many cases the ground of trade–offs. We have to understand these trade–offs.

Often someone says: "You're getting kind of hard on environmentalists". I answer: "Yes, but I don't want to live in a cave and go out and grow my own food. If I don't want to do that, then I have to make trade–offs in order to live the way I want to".

I have a long background in the area of environment. Professionally that was my training. I was involved 25 years ago in the Conserver Society. I went around the country talking about what we could do to conserve our society, recycling and so on. I must admit it was kind of an off topic back then. We were not very popular when we talked about it. A lot of people did not know what we were talking about.

I came from that age of *Silent Spring*, of the environmental impact studies. I worked for the Canadian Wildlife Service. From all that background I gained a real appreciation of preservation of the environment.

As well I have learned that the environment is not in the domain only of socialists and liberals but is of concern to everyone. I want to assure the member for The Battlefords—Meadow Lake that when we form the next government we will be concerned about the environment and will place it high on our list of priorities.

I want to also address the member on the reforms that are going on. We are part of that overall reform.

I want as well to quote from our blue book on the environment: "We want to establish clear federal–provincial jurisdiction over environmental matters. We want to reduce duplication, confusion and all of the unnecessary things that so often go with government. We believe the government should provide federal leadership, encourage partnership, encourage private industry to get involved, encourage educational institutions and of course encourage the public to be part of these environmental protection studies".

• (1845)

The environment is related to all of us and interrelated. There are many things wrong and those have been identified here today.

We must of course be equal to everyone and we must go for equal enforcement. In looking at Bill C–56 I think we go at least some way to accomplishing what we want to. Certainly the one assessment will save time and money and will avoid some of the duplication of so many examples we could talk about.

Participatory funding. Having been involved in that grassroots level of trying to participate in environmental involvement, I can certainly appreciate having that as part of this bill. I think if that is properly administered and decisions are made properly that that can be a great plus for people wanting to get involved in projects and understanding them better.

The decision that the cabinet, not just one minister, will make the decisions regarding this of course becomes even more credible today. A lot of us are reading the recent book published about the last government and that would convince us even more that we want more than one minister deciding anything.

We have a lot of examples that we need to confirm the need for a bill like this. We have of course, and this has been mentioned many times, the Oldman River dam project. The environmental assessment that should have been triggered and was not would have saved so many dollars, so much confusion and so many problems that have now gone on with a project like that. It has demonstrated and caused a confrontation rather than co–operation.

We must avoid duplication. It emphasizes we must have provincial co–operation and third parties involved rather than just through the courts of law.

Federal–provincial duplication is enormous. This is one area this bill does not address adequately that I would like to see possible amendments to. We must resolve these federal–provincial problems. That is essential with getting on with the job.

I use an example of a company in my constituency. I have a letter from the Alberta environmental minister, Brian Evans, in which he says: "I can assure you that the issue of duplication overlap is at the top of the agenda for Canadian ministers of the environment". He goes on to say that the agreement that Alberta has signed will go a long way to help solve the problem.

An Alberta government document goes on to state: "This agreement will greatly reduce the burden placed on industry because of a dual regulatory framework. From now on the Alberta government will be the primary representative in dealing and contacts with the pulp and paper industry". He goes on to describe other industries. He continues: "The establishment of a single window at the provincial level does not relieve industry from the obligation to comply with federal regulations. Each level of government retains its respective legislative powers and can take legal action against defenders". While it has moved some way it has not moved all the way.

I will go on with some examples and look at some of the background where this harmonization just has not occurred. One thing I would like to stress here today is that we must get the harmonization of this environmental assessment program. I think all sides would agree. I am disappointed to hear some of the dissenters to that whom we have heard from today.

I would also list four items that have been identified for me in my constituency. There is a big problem with reports between provincial and federal governments. There is a great variation between what they are asking for and yet they end up getting to the same place.

Second, there is a real perception that business is doing something wrong and that they are always doing something wrong. The lack of co–operation where one government does not trust the other one has to be alleviated. We must get away from the idea that in fact industry cannot pay for and be involved in some of this analysis. We also must look at the regulations to be sure they are realistic. Again, I have many examples of where unrealistic legislation is in place in terms of environment.

• (1850)

The duplication of regulations has played havoc with particularly smaller oil companies. I can summarize some of this by listing four major areas. The purpose of most regulations is reasonable. However they become ridiculous when the administration of the regulations and the people involved begin to protect their own turf and refuse to be reasonable or co–operate with the other branches of government for fear of losing their power. Again we have many examples of that.

We must also be concerned about their competitiveness within Canada. The number of reports keeps increasing which greatly handicaps smaller companies. Having one extra person to complete reports in a plant involving 10 people is quite a bit different than adding one person in a company of 500. We must consider that. We must keep these companies competitive.

I quote an example from one of my constituents: "In the early 1980s I was closely involved with the major grassroots complex being built close to Fort Saskatchewan in Alberta. Over a period of two and a half years the company had to make a total of 4,200 submissions, permits and other formal requests from every conceivable government branch in three layers of government. Many of the pieces of information was repeated many times over because a given permit could only be issued for 30 days. If we informed one level that the same information was sent two months ago to, say, the federal environmental group we were told that confidentiality prevented moving information between departments and the same information would have to be submitted in the new format requested".

At the end of the project a complete listing of the total number was sent to the Alberta economic development department for review because no one could believe the number and they were dismayed and shocked by the number of reports. We must address that. We must do something about that. We are literally putting small business out of business because of environmental regulations and no co–operation between levels of government. It is reasonable then. We must deal with this. We must address this problem.

Going on, the lack of co–operation seems to go on and on. I will not get into all of this because I intend to deal with another subject. What we must do is end the duplication, the lack of co–operation, the protecting of different departments' turf that goes on in this whole area of environmental testing.

I finish this section off by saying I have an example of the bureaucratic growth that has gone on. In terms of water testing for a number of oil projects in Alberta the company does a complete set of independent lab studies. These go on, and I have copies of them, for some 30 to 40 pages. Then the province comes along and does the same testing and sampling and it goes through all of the expense and duplication of 30 or 40 pages. Then the federal government comes along and does all the same testing and it does 30 or 40 pages of reports on the same material. Neither side will talk to each other because each side is afraid of losing its jobs.

That kind of environmental holding back of companies has to end. An example of the growth of bureaucracy in licensing is where reports used to be four pages, today they are 34 pages. Whether it is air emissions, sulphur emissions, or whatever, the reports go on and government grows.

If I had to encourage anything I would encourage the harmonization of this environmental conflict and the co–operation between all of these levels of government and all of these bureaucrats.

I would now like to get into another area which I have been involved with some 30 years now and that is in the environmental area that I feel involves all of us. A lot of people sort of laugh when I say I am really interested in this subject and that is the subject of landfills, the subject of garbage. The problem that all of us have is universal. It is a problem where everybody says: "Don't put them in my backyard, put them over there".

• (1855)

It is a universal problem across this country. There is a problem whether one is a landowner or whether one lives in a city or town. There are some basic problems that make this a federal issue. When we phone the Department of the Environment here, we are told: "That is not our area, that is a provincial area". This is a good example of where there are roles for the three levels of government.

Let me propose what I have in mind. First, the biggest problem is from the seepage going on underneath the ground. We are contaminating groundwater. We are contaminating lakes. We are contaminating rivers. We are doing things to our environment that will only come forward 50 or 100 years from now.

It is fine to build deficits and say: "Well, we know we are going to have those to deal with". Now we are going to tell them they are not going to have water to use. We must address that. What is the solution? There are solutions. One problem is they cost money. I think if people understood the problem and the potential time bomb they were creating, they would deal with this.

Recycling, composting and incineration are all areas that somebody in Canada needs to look at. We could be world leaders. How can we work this through the provinces and through the cities? What happens now is the feds say: "Well, it is not our area. We cannot touch that because it is provincial".

I see the federal government providing the umbrella. I see the federal government providing the research and development, the technology, the gathering together of information, putting together the seminars it takes, getting the experts involved. I see it being the resource for all other levels of government. I see the provinces providing a unified delivery of the service and then I see the municipalities as the operators of whatever that facility is now.

What happens today? Today we have the municipality doing the research, trying to decide what it should have. Meanwhile, it does not have the money, the technology or the people. It is not in a position to try to deal with that subject.

I would like to see in a bill like this the ability and the encouragement of the federal government to get involved in this issue. It is an issue for everyone. All of us have garbage problems. It is one where I think we are putting our head in the sand in trying to deal with it.

In summary my party and I would support this bill. It could go much further in the area of environmental leadership. I could see it taking on, as I say, things like landfills. It should speed up the process. It should save money. It must get involved in co–ordinating federal–provincial areas. It allows third party input and it does protect the individual from government force.

Finally, the environment is a world issue. Being a member of the foreign affairs committee I can relate to the fact that this is a global problem. If China builds 18 huge coal generated power plants, that air will be over Canada in a couple of days. That air is going to affect us. That is air that we will have to breathe. We cannot be just a province or Canada. We must be the world when it comes to environment.

I encourage all politicians to be concerned about China, the South American rain forest, and sustainable development. We can all play a role in that. We cannot put our heads in the sand any longer.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I compliment the member on his remarks. I want to deal with that part of his speech where he dealt with the ideas of composting and recycling.

I agree with the member. This is an area where we could be world leaders.

• (1900)

We are world leaders right now. The problem as I see it is that we do not have the political will to implement some of the technologies we have in the area of taking care of our garbage in a proper way. I believe this is so important that taxpayers would probably support us spending their money to make sure an aggressive campaign such as the one the member described was implemented.

I had difficulty in that often we have been conditioned by the Reform Party that spending is something that its members are very shy about. Is this an area where the Reform Party would shift its traditional attitude?

**Mr. Mills (Red Deer):** Mr. Speaker, there are areas in which we would not cut. We would be selective in our cutting and our balancing of costs. One area certainly would be environment where we would see no cutting. Our blue sheet said that possibly we might see in the area of criminal justice and environment an increase in spending.

I would like to think the entire House could get behind a project like this one and show environmental leadership. The provinces need it and we could get them onside because it is a universal problem. If somebody can provide a solution for a universal problem, we could very easily get them onside. We have to get out there. We can call it a crusade but we have to handle the problem.

We can have people pay for it. I believe that user pay will work in this area. Instead of paying $3 for handling their garbage people would in fact pay $6. I really believe they would if they knew what they were getting for their money. The big problem of people and of us not wanting to spend money is that we see waste and we cannot see value for our dollars.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I have a couple of questions for the member for Red Deer whom I compliment on his speech. He certainly brought some interesting ideas to the Chamber. I was very happy to listen to him today.

In particular I was very pleased with the words that he used in his opening remarks. He talked about this being the ground of co–operation, the ground of compromise. Those are the grounds on which I believe the country was built. We live in a very diverse nation. Different people from coast to coast have relied on co–operation and compromise to see them through from day to day and year to year.

The country was built on those grounds. I am very pleased to see the hon. member recognize those grounds at this time. I can only hope the same rules will apply to other issues in the Chamber when we are dealing with issues of great concern to the diverse peoples who live within our borders.

My question deals with the issue of the Oldman dam that the member for Red Deer raised. Bill C–13 now provides some triggers that automatically gets the federal government involved in a project assessment. When I asked a similar question of the parliamentary secretary earlier today, he talked about the federal government being timid in the past in its approach to some of the issues guarded by the provinces.

Could the member for Red Deer indicate whether he believes the federal government has a right to intervene when some of these triggers are in place and provincial governments hesitate and resist federal government involvement in the projects they are promoting?

**Mr. Mills (Red Deer):** Mr. Speaker, the real answer to that question is to get involved early enough. What so often has happened in the past, whether they have been political deals or lobby groups or special interest groups or whatever, is that there has been a real slow response by the federal government.

The provinces have been slow but the federal government has been slower. The real answer to the problem that the hon. member raises is the speed of response. We hear about these projects. That is when the federal government should get in, provide the leadership role and start negotiations and compromising with the provincial governments. That is where it has to happen early rather than late as in the Oldman dam.

• (1905 )

**Mr.Taylor:** Mr. Speaker, I have a short supplementary question. In his speech the member also talked about water testing, in particular water testing for oil companies in Alberta.

The member may be aware of a project near my constituency where Esso Resources has been withdrawing water with the approval of the provincial government from an aquifer that runs under the provinces of Alberta and Saskatchewan. Communities in my constituency have seen reduced water flow as a result of the work in Alberta. There has been a tremendous amount of wrangling between the Saskatchewan and the Alberta interests. There has been no room for federal government assessment or work to date.

With the member's experience would he consider the support of a national water act that would help to bridge some of the gaps between provincial government interests and others to ensure that water is available to all Canadians?

**Mr. Mills (Red Deer):** Mr. Speaker, we should realize that water will be the most important resource we have in the 21st century. I believe that puts us head and shoulders ahead of the rest of the world. We have something like 9 per cent of world's fresh water supplies. We have to keep it fresh and pure.

Not knowing the exact details the member puts forward, I would think legislation to protect and preserve the water supply is essential and vital to the survival of the country. I firmly believe it is the most important resource we have.

**Mr. Taylor:** Mr. Speaker, I have just noticed the clock. It is my understanding that we have only 10 minutes remaining in the day. I do have at least the full 20 minutes allocated to me. I wonder if the House would not like to see the clock and allow me the full 20 minutes when the House next convenes.

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. I am prepared to agree with that if the House will then agree to put the question at that point.

**The Acting Speaker (Mr. Kilger):** I wonder if I could ask for further clarification. Are we only speaking about the 20–minute intervention or are we also including the 10–minute question or comment period? It is just the straight 20 minutes.

Members have heard the suggestion of the government whip. Is that agreeable to the House?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** The member for the Battlefords—Meadow Lake will have 20 minutes and I will put the question forthwith upon conclusion of his intervention.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I seem to have achieved something extra to what I wished. I was suggesting that when the House sits next I would conclude my remarks. However I am quite prepared to do so now.

I appreciate the opportunity to say a few words on this very important bill. I have had a considerable amount of influence over the bill during the last four years. I am very much aware that the bill has been at least seven years in the making. When it was first proposed to the previous Parliament by the now leader of the Bloc Quebecois and then Minister of the Environment, I happened to be the New Democratic member responsible for environmental protection issues. Therefore I was asked by my party to sit in on discussions of Bill C–78 and to represent the New Democratic Party throughout the committee process on the piece of legislation.

I was quite taken by the responsibilities I was given at that time because the House will recall there was a great deal of criticism of Bill C–78.

• (1910)

The government began at that point a process that I think should be recommended for many other pieces of legislation. What began with Bill C–78 was something called a prestudy of the bill. In other words before the bill was introduced in the House the specific bill was presented to the parliamentary committee to have a look at it and allow for some intervention before the government actually introduced it and before the government would claim ownership of the wording of the bill.

The prestudy process gave us an opportunity to examine the bill without the partisan interventions that occur often when sides dig in on a debate and will not yield any ground. The prestudy phase of Bill C–78, short as it was, began the process of openness about the bill.

When Parliament of the time prorogued and the new Parliament began, the bill was reintroduced as Bill C–13. I had hoped at that point that with the prior work that had been done by the parliamentary committee Bill C–13 would have been amended by the government before being introduced into the new session. That not being the case, we were given an indication that the bill would be amended in committee with the approval of the government.

We began the process of amending the bill. Again something happened in committee that I am very proud to say I was a part of. I would commend it to the government and to future governments as a way of dealing with legislation in a very non–confrontational way. The government indicated that it was prepared to accept amendments from the committee and we proceeded to approach the bill with that understanding. I submitted over 110 amendments to the committee for study.

The point that I want to emphasize is that the committee chose to bring in legal experts to sit with us in the committee while we went through that amending process. Two environmental lawyers who had appeared as witnesses were brought in by the committee, Mr. Bill Andrews and Mr. Brian Pannell. They sat around the table and advised members of the committee about the legality and the practicality of amendments.

It was a great exercise and one from which the committee benefited a great deal. In fact the country benefited a great deal from it because Bill C–13 was amended with their assistance. As a result the bill that has now been proclaimed by the government is the bill we amended. The member for Davenport being a member of the committee at the time, myself and others worked very hard to find the best possible bill in the spirit of compromise that needed to exist to achieve that result.

The environment committee is presently doing a massive study of the Canadian Environmental Protection Act. I would commend the use of environmental legal experts when the committee sits down to conduct its final review of the act and write the report that must be written which may indeed result in some additions, changes or amendments to the Canadian Environmental Protection Act. I believe the process of utilizing legal experts was of great benefit to us.

Now we are at the point where after a year of waiting we have Bill C–13 proclaimed, the agency about to be established, a new environmental assessment process about to begin, some new regulations in place that are going to guide us through some very important assessment work into the future, and a couple of

amendments before the House to allow us again the opportunity to have a look at the bill.

I will raise it in committee as well, but I believe the three amendments I support, the three amendments in front of us, are not sufficient to make the bill the important bill it could be.

I mention a couple of things in this regard. The first is with regard to intervener funding. We have raised it a number of times in the House today. The intervener funding process is absolutely crucial to the positive workings of the Canadian Environmental Assessment Act itself.

• (1915)

In fact, as we are well aware, proponents of projects generally have access to the capital they need to see that project through to completion. They budget for the preparation of environmental assessment reports. They budget for the public hearings that may take place. They are prepared to deal with that. However, without adequate intervener funding there cannot be adequate assessment quite simply because those who wish to challenge the proponent do not have the same access to capital as the proponent does and budgets for.

It is very important that we set out a very specific intervener funding process to ensure that it is not only adequate but indeed meets all the criteria that we have established in the past for an intervener funding program that works positively. I commend the government for seeing the need to move forward with intervener funding in more specific terms like this. I hope that in the committee we will be able to broaden that out.

I also suggest that the committee have another look at the regulatory process while looking at the act and there is the opportunity to review it. The regulatory process is what provides for the workings of the environmental assessment. The act sets out the guidelines but without the regulations the act is not much. The regulations make it work. This is why we have noticed and recognized that the regulation making process itself has been so controversial, so complex and has involved so much time.

Members of cabinet, industry, and the environmental community have all had input into the regulation making process. However members of the House of Commons speaking for all Canadians have not had the opportunity to respond to the final product they have produced. Unlike the act where we can debate parts of it, we can go to committee and study parts of the act, in terms of the specific regulations members of Parliament in the House of Commons do not have the same opportunities to challenge parts of the regulatory process.

It is time we looked at an amendment I raised two years ago in this very Chamber. It was an amendment similar to a clause in the existing gun control legislation that allows for members of Parliament and members of the other place to call before committee certain regulations for scrutiny. We should have a similar clause in the legislation that would allow us to call certain pieces of regulatory decisions and discuss them in committee.

The process of ultimate cabinet responsibility should also be examined. Although I am supporting the amendment about cabinet responsibility at the moment, I do believe that at a time when governments are demonstrating they cannot be trusted—we had a government in this country for nine years that proved that—we have to ensure it is Parliament and the people of Canada in the end who have a full understanding and responsibility for matters like this.

When a panel makes a decision based on a tremendous amount of information, the government should be looking very seriously at the results of that panel hearing. When cabinet makes a final decision on a panel recommendation members of the cabinet can never have read that recommendation but have been influenced by many members of industry who perhaps have been speaking to them in another context but have made their wishes well known. The secrecy of the cabinet room should not be the final arbiter of public environmental process.

• (1920)

In any case I do recognize the accountability of government through the cabinet process. As I say I support the amendment before us, but it is important that perhaps the committee look at this process and see if there is not another way of dealing with this very important and specific issue.

I believe very strongly in the concept of environmental assessment. I heard the witnesses who appeared before the committees on Bill C–78 and Bill C–13. Witnesses from the corporate community indicated very strongly that they wanted to see an environmental assessment process that was up front and took the issues on early and did not come at them after the fact.

The court rulings that have been made across the country have indicated clearly that the guidelines that existed and continue to exist until Bill C–13 was proclaimed were inadequate to meet the needs of the country. Therefore Bill C–13 although it is not the one I would have written had I been the Minister of the Environment is very much a bill that moves us forward. Certainly the amendments in front of us do that as well.

We have the opportunity to move this process forward a great deal further than the three amendments do. I hope the committee which will receive this bill at the will of the House at the end of my remarks tonight will look seriously at taking the bill a little further than the government is prepared to move at this point in time.

I appreciate the co–operation of the House in allowing me to finish my remarks. In that spirit of co–operation and compromise I will not abuse the time of the House.

*Adjournment Debate*

**The Acting Speaker (Mr. Kilger):** On behalf of all our colleagues, I thank the member for his co–operation.

[*Translation*]

Is the House ready for the question?

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Kilger):** In my opinion, the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Call in the members.

*And the divison bells having stopped:*

[*English*]

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 45(5)(a), I have been requested by the chief government whip to defer the division until a later time. Accordingly, pursuant to Standing Order 45 the division on the question now before the House stands deferred until tomorrow at 6 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

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## ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

NUCLEAR TESTING

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, last week I asked the Minister of Foreign Affairs if he would urge the Prime Minister on his visit to Beijing to raise with Chinese authorities the need to end nuclear testing for the sake of planetary security.

The non–proliferation treaty, or NPT, was signed in 1968 by approximately 160 nations. As part of this treaty countries with nuclear weapons have agreed to work toward the reduction of their nuclear arsenals and to work toward a comprehensive test ban treaty. Developing countries agreed not to develop nuclear weapons in exchange for information regarding peaceful uses of nuclear power.

• (1925)

However since 1964, Britain has carried out some 44; France, 210; and the United States more than 1,000 nuclear tests. During the last few years testing has virtually been suspended. Since 1991 Russia has not tested any weapons nor has the United States. Britain has not undertaken any testing in recent years either. All major countries have put in place voluntary moratoria.

Two weeks ago the Government of China carried out its 41st test. Therefore in addition to my earlier question to the Prime Minister, tonight I am asking the minister of external affairs whether he will personally take an interest in the negotiations of the extension of the nuclear non–proliferation treaty which will run out in 1995.

Will Canada play a leadership role at the United Nations? Will Canada on behalf of all Canadians press the UN for a new treaty? Will that new treaty, first, ban the use of all nuclear weapons and weapons tests, and second, provide for better enforcement powers to the International Atomic Energy Agency so that better comprehensive monitoring of compliance can be carried out on behalf of the world community?

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, in continuing to conduct nuclear tests China is breaking the tacit moratorium which has been observed by all nuclear weapon states. China has said it will participate in comprehensive test ban treaty negotiations. Nonetheless continued testing by China draws into question its commitment to the early completion of the comprehensive test ban treaty negotiations.

I would like to remind the hon. member it is true that on October 7, 1994 the People's Republic of China conducted its third underground nuclear test since the start of the CTBT negotiations.

Although Britain, France, and the former Soviet Union, now the Russian Federation of the United States, have all instituted national testing moratoria, China has refused to stop testing, arguing that it needs further tests to catch up technologically with other nuclear weapon states.

What Canada has done is encourage the People's Republic of China to engage in responsible, international behaviour with respect to arms sales and nuclear proliferation. To this end we have pressured China to end its testing program. Following the second test, our ambassador at the Conference on Disarmament in Geneva made a strong public appeal and, as members know, following the last test the Chinese ambassador was called in by

the Minister of Foreign Affairs and was apprised in no uncertain terms of Canada's condemnation of continued nuclear testing.

The Prime Minister, who will be heading off to China very shortly, has been fully briefed on these matters and intends to raise them with the highest levels of the Chinese leadership.

Canada's relationship with China on non–proliferation matters are complex. In some areas, like the cut–off and NPT extension, there is near–term potential for productive co–operation. On others like testing we will continue to press China to do the right thing and to join the other nations in banning nuclear testing once and for all.

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 38(5), 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 7.29 p.m.)

# HOUSE OF COMMONS

Tuesday, November 1, 1994

The House met at 10 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 28 petitions.

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### IMMIGRATION

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, it gives me great pleasure on behalf of our government to table the 1995 plan for immigration levels.

One year ago this week our Liberal government took office and put in motion a new style of governing. That new approach included the creation of a department for citizenship and immigration. This new department better reflects the relationship that has always existed in Canada between newcomers to our country and nation building. The two are mutually reinforcing. Liberals believe in the positive constructive force that is immigration.

Ten months ago I launched a process of consultation with Canadians on the future direction of our immigration program. Our consultations were guided by two principles: first, to engage Canadians in an informed and constructive debate, to debate issues, to debate facts, to debate figures, to debate expectations, to debate aspirations of what we want for our country, and to try to put aside as best we can, as dispassionately as we could as a nation, the myths and some of the misconceptions that unfortunately from time to time have gripped this very emotional area of federal public policy.

The second was to reach out more broadly to Canadians, not only to talk to the traditional groups that have helped build this positive immigration policy but to involve all Canadians who wanted to make a contribution. The views of special interests are important but they must be balanced with the interests of all Canadians.

In so far as that is concerned, it was important to try to bring into the tent for the very first time, at our government's initiative, the non–traditional players of immigration; to bring in the boards of education, the municipalities, the labour movement and the labour organizations, to give force to citizens, the ability to go to the microphones at York University or at the other places at which we met, and to voice their feelings and their beliefs about Canada and the immigration policy. The process of what we were doing could also be said to be equally important as the substance of what we were debating. For the first time we were enlarging that tent so that we would be able to try to build a consensus among the Canadian lobby for what we want our immigration policies to do for our country in the future.

[*Translation*]

We wanted to actively encourage broad participation: Over 13,000 kits were distributed across Canada to school boards, elected officials, groups and individuals interested in immigration. One hundred and thirty thousand information tabloids were distributed. And Canadians responded.

From February to September thousands of Canadians told us what they thought in town hall meetings and study circles. We received hundreds of letters.

Six weeks ago we met in Ottawa at our national conference to listen and learn.

[*English*]

Today we are making the decisions that Canadians expect of their government and which participants asked us to make. Consultation will always be the hallmark of how this government decides policy. The ultimate purpose of government is to decide and to move forward.

Today we table before Parliament our immigration policy for 1995 and beyond, a policy rooted in our values and which reflects our ideals for our country.

• (1010)

While we only have a few minutes to distil this plan, the document entitled "A Broader Vision, Immigration and Citizenship Plan, 1995–2000" represents a fundamental change to Canada's immigration program. In the past I believe too much emphasis was placed on the numbers game rather than on trying to produce a long term comprehensive plan that would give full

expression and comfort and understandability to that eventual number.

From our consultations a new approach has emerged, one that calls for a broader vision and a clearer sense of Canada's objectives. First, instead of putting a single number before the House of Commons, this plan introduces the concept of a range, a realistic range that for 1995 anticipates between 190,000 and 215,000 immigrants and refugees will come to Canada.

It is a range, realistic and honest, in terms of more or less what we would anticipate based on our decisions as a government and as a country but also on what those inventories across the world will yield because some of them are low. There are fewer independents coming to the country whether because it was of the bad shape of our economy or the fact that those economies were doing well or the perception that the doors were closed. The number of families is down. The number of business immigrants is down for similar reasons. We also have to take stock of those inventories across the world.

What we heard across the country was the need for a better balance among the four categories of immigration. Sometimes we were too obsessed with the global one number figure that became the lightning rod for most of the debate. Instead we have four categories that we should pay close attention to and then decide how one plays off the other. What are the tradeoffs that we need to make between a family class category, an independent category, a business category and a refugee category?

It seems to me that as a Parliament and as a government we need to give greater clarity, greater focus and make some of the trade–off decisions of how those compartments play with each other rather than simply talking about the end number of the equation.

In looking to that balance the share of economic immigrants will rise from 43 per cent to roughly 55 per cent of overall immigration, while the family component will shift from 51 per cent to approximately 44 per cent over the period of the plan.

This will make the immigration and citizenship program more affordable and sustainable. We remain determined to target immigration levels of approximately 1 per cent of the population over the long term based on our ability to absorb and settle immigrants.

It should also be said that the whole question of the principle of family is not only contained in the family class category but throughout the program so that when we invite an independent immigrant to Canada that individual brings with him his immediate family. It is the same thing when we invite and accept a business immigration applicant as it is when we accept a refugee, he or she has an ability of bringing in the family.

The family class is also beyond that narrow category and the principle of family is applied equally and compassionately across the spectrum which is based on a Liberal philosophy for immigration.

Moreover, changes to the selection of skilled workers and immigrants will increase the economic benefits of immigration and lower the cost eventually of settlement. It is important as our documents raise that our point system be changed and adapted to the kind of skills that our country at this time requires.

Pre–eminent among those skills is the whole question of language. That is priority number one, here in our country and how we deal with language abroad in terms of our visa officers.

Other skills and aspects are education, age, experience, moving away from just the job classification to basic job skills that will allow those individuals to make an easier transition into the new economy, as well as the feature where people will now be having two, three and sometimes four careers in their lifetime. That shift is not born out of any movement. It is taking stock of the economy today. The forces moving the world are very different from the forces following the second world war. The tools we use in immigration, namely the point system, must be adapted to the pace of that change both globally and here at home.

• (1015)

The new approach to family class will respond to the desires of many who cannot now sponsor those they would like to bring to Canada. It will also ensure that all sponsors are held responsible for fulfilling their obligations.

Beginning with the 1995 plan, the refugee and immigration components will be managed separately. This will underscore the distinction between the protection and resettlement goals of the humanitarian and refugee program, of which Canadians should be very proud, and the economic and social objectives that frame the skilled workers, business and family class categories.

[*Translation*]

The plan renews our commitment to develop a new Citizenship Act designed to create a common bond between Canadians by birth and by choice. An increased emphasis on responsibilities, apart from rights, will underline the value of citizenship for all Canadians. Finally, the plan confirms our commitment to co–operate with the provinces in our shared responsibility for immigration.

[*English*]

The other major document we are tabling today talks about the strategic framework, looking down the 10–year road. I outline the direction the government intends to take immigration and

citizenship policy into the 21st century. It sets out a framework based on five basic and key elements.

First, the enrichment of our social fabric through selection of immigrants and their successful integration into Canadian society as full participating citizens.

Second, the supporting of Canadian economic growth through actively promoting our country as the best place in the world in which to live and work, something that the UN has recognized two years out of the last three.

Third, the recognition of the importance that Canadians place on the family and maintaining that program in a manner that is sustainable and responsible.

Fourth, the realization of Canada's humanitarian mission through a coherent strategy that separates the refugee and immigration streams and meets the twin challenges of protection and prevention. It reflects fully the commitments which the government made in September at the International Conference of Population and Development in Cairo.

Fifth, the provision of fair access and ensuring that the rule of law is respected at all times by all people in our country.

Throughout the elaborate and extensive consultations Canadians pointed to a loss of confidence in the immigration program's ability to control who enters Canada and to enforce the Immigration Act against those who have been ordered removed. Through legislative initiatives such as Bill C–44, which is before the House, we are seeking to restore Canadians' confidence and thus contribute to the government's broader goal of creating safe streets, safe homes, safe communities.

The consultations also reveal that Canadians are concerned about the sustainability of Canada's social benefit system. The government is addressing that broader challenge by opening a dialogue on improving social security in Canada. For our part we will contribute to the solution by focusing more on those immigrants less likely to require public assistance.

Changes to the sponsorship obligations and their more rigorous enforcement will enhance the fairness of access to social benefits. We have already begun discussions with the provinces and agreements on information sharing have already been signed with six municipalities in Ontario.

In closing, a successful immigration policy has always been part of our history and our development as a nation. Liberals believe that immigration has worked well for Canada. Liberals believe that the forces of migration have helped build a nation when many other people view these forces as a negative.

• (1020)

Liberals also believe that we need to manage those positive forces in the face of monumental change across the globe. The strategy and plan that I have tabled on behalf of my caucus and government sets the right direction as we prepare Canada for the 21st century.

The plan is fair, sustainable and affordable to the newcomer and to Canadians. I invite all members, indeed all Canadians, to join with us as we move forward boldly, confidently and aggressively into the 21st century.

[*Translation*]

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, although we received only this morning the document tabled today by the minister, we still have a few preliminary comments to make.

As the minister said, consultations lasted 10 months and cost $1 million. Unfortunately, the paper before us does not outline a real policy on immigration and citizenship. We do not detect a dominant theme either in the minister's speech or in the document tabled today. We still do not know where the minister is going with regard to immigration and citizenship. We thought that today the minister would announce decisions or reveal what he intends to do in the years to come.

All he said is that, in 1995, the number of immigrants will be between 190,000 and 215,000 and the number of refugees, between 24,000 and 32,000. Incidentally, this violates and contradicts the red book, whose goal was 1 per cent of the population per year.

The goals set by the minister himself for the year 1994 will not be achieved. No more than 230,000 people will immigrate to Canada in 1994, instead of the 250,000 announced by the minister at the beginning of the year. We, however, agree with the minister about reducing the number of immigrants. We were told that the number of applications to immigrate to Canada is down, and we are also aware that the economic recovery is still creating difficulties, that the unemployment rate remains very high in Canada and even more so in Quebec.

We would like the minister to focus on immigrant integration in 1995. Thousands of immigrants who come here cannot find jobs and do not receive government assistance either.

As for refugees, we want to ensure that the minister will continue to honour Canada's international humanitarian commitments to this class of people seeking Canada's protection.

• (1025)

There are still too many refugees in the world—more than 20 million—and Canada must do its share in this regard; we in the Bloc Quebecois are very sensitive to this problem. The documentation submitted by the minister does not give us a very clear indication of whether he intends to respect Quebec's jurisdiction for immigration, if he intends to comply fully with the McDougall—Gagnon–Tremblay agreement signed in 1991,

which recognizes Quebec's exclusive right over the integration, reception and selection of immigrants.

As you all know, Quebec is a distinct society. It has its own official language and as the only French–speaking state in North America, it must protect and encourage francophone immigration. Neither does the minister's document show us how he intends to promote immigration to Canada. We know that there is a growing feeling of hostility to immigrants and especially refugees, but we believe that the Canadian government and the provinces will have to inform the public about the benefits and positive aspects of this immigration.

Immigration has made a tremendous contribution to Canada's economic prosperity. Immigration is necessary to deal with the demographic problems in Canada and Quebec. Immigration is necessary to renew our rapidly aging population. This must be explained. We must tell Canadians that the advantages far outweigh the disadvantages, that despite all the propaganda to the contrary, immigrants make less use of social services in Canada, that the crime rate of immigrants is less than the crime rate of Canadians born here.

In his document, the minister does not say either how he will resolve the problem of appointments to the Immigration and Refugee Board. He continues to make appointments. Complaints are still coming from lawyers, immigration and refugee groups, clients and the public at large. Some appointments not based on competence are still being made. Some appointments are still purely political and we would have liked the minister to propose mechanisms for making non–partisan appointments.

Is it possible to create a committee of lawyers from the bar or immigration organizations so that there is a pre–selection before the commissioner is appointed? The minister does not deal with another problem, the backlog at the Department of Immigration and Citizenship. Too many cases are outstanding, too many applications take months and even years. The minister unfortunately endorsed the Conservative Party's decision to set up a processing super centre in Vegreville, Alberta, and this has caused a great many problems.

People can no longer find their way around. Today you can no longer reach an official to explain the situation. You have to keep calling numbers which are always busy. It is not easy to obtain the documents to be completed and to submit an application.

• (1030)

Civil servants are not pleased with the system. Jobs were eliminated in Quebec and in all the other provinces. Services provided in French by the centre in Vegreville are not adequate.

The minister also says that he will table a bill on citizenship. We are waiting for that legislation. I ask the minister to reconsider the concept of dual citizenship. The Standing Committee on Citizenship and Immigration has recommended to the minister that dual citizenship be eliminated. Such a measure would be an unacceptable step back, considering that countries now recognize more and more the concept of dual or triple citizenship, and that the mobility of people has increased considerably throughout the world. We cannot eliminate such a precious right for all Canadians and particularly for those immigrants who want to keep a tie with their country of origin. This concept is good for Canada and also for immigrants, who can be good communicators with their country of origin and promote Canadian trade there. It is good that people can have this dual citizenship if they want it.

We are also concerned by the fact that, in some documents given to us today, the minister talks about occupational training and about promoting co–operation between his department and the Department of Human Resources Development, regarding immigrants. We, Bloc Quebecois members, have clearly said that occupational training falls under exclusive provincial jurisdiction. The federal government should not interfere in that sector. The provinces are closer to the client group. They are more aware of the needs in manpower training. The minister now says that his department will set up a vocational training centre for immigrants, in co–operation with the Department of Human Resources Development. This is unacceptable and the Bloc Quebecois strongly opposes this proposal by the minister.

I also want to say that the Bloc Quebecois is a pro–immigration party. More often than not, we do not share the somewhat exaggerated views of our friends from the Reform Party regarding immigration and citizenship issues. Quebec is, and remains, a country, a nation and a province open to immigration. There is a consensus in our province in favour of accepting immigrants. Incidentally, we anticipate that, for 1995, Quebec will maintain the objective of 40,000 new immigrants; for 1996, it will be 42,000, while for 1997, the number should reach 43,000. Bloc Quebecois members, as well as Quebec society as a whole, are open to immigration, which we consider to be a source of social, cultural and economic wealth.

I am proud to be an immigrant myself. I am proud to be a Quebecer and to be of Chilean origin.

• (1035)

[*English*]

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I am dumbfounded and Canadians should be outraged over what has just been revealed here by the minister.

Almost a year ago this minister initiated a $1 million consultation during which thousands of well meaning patriotic Canadians put time, talent and energy to work proposing changes to immigration. During the last several months this minister has engaged in a series of well planned media leaks, floating trial balloons, raising expectations, talking a tough line

and trying to out reform the Reform Party in policy, or at least that is the impression he has left.

In the last week the minister admitted to a cost to the taxpayer of at least $700 million in family sponsorship breakdowns. He promised he would do something about it. This morning we found out that nothing has changed, nothing has been done. The consultations were a fraud. There has been a lot of talk, talk, talk, study, study, study, and it looks like the studying will continue.

For anyone who wants a lesson in old style politics, we are learning it right now. It is a lesson in trying to manipulate the media, a lesson in trying to manipulate the public, a lesson in trying to please everyone by not offending anyone. It is a lesson in government inaction.

One need look no further than this government and its minister of immigration to get a good picture of what has happened. Let me outline with no fancy language or rhetoric what the minister is going to do this year.

The percentage of economic immigrants with their families was 43 per cent. In 1995 that number will still be 43 per cent. The percentage in the family reunification class of those already in Canada was 51 per cent. This year it will still be 51 per cent. Other immigrants were 6 per cent last year. This year, surprise, surprise, it is 6 per cent. The total number of immigrants accepted this year is 230,000. The total number expected next year is up to 215,000, a change of only 6 per cent.

That is not a cut. It is nothing more than an expectation of lower application levels. The levels are so high that our sources in immigration tell us there are not enough applications to fill the slots. This minister wants to take credit for lower numbers and those lower numbers have nothing whatsoever to do with government action.

A bond for sponsors will be studied but no immediate action taken. During the year or so this government plans to study this issue, Canadians will have to fork out at least $700 million more in sponsorship breakdowns. Where is the enforcement of what is happening here already to save those taxpayers dollars?

Changes to refugee policy, there are virtually none, except an ongoing amnesty that rewards those who can tie up the system for three years. There are no changes to control and enforcement, except for the defective Bill C–44 which is already pending in the House.

This minister said changes would be made that would make immigration work to the benefit of society. He said that more of an emphasis would be placed on independent immigrants. However this plan for the next year says that family reunification is still the highest priority of the government and that the ultimate goal of immigration levels equal to 1 per cent of the population still stands. We are talking about numbers in the vicinity of 300,000.

[*Translation*]

**Mr. Mercier:** I rise on a point of order, Mr. Speaker. I am sorry, but we cannot follow the debate because we cannot hear the simultaneous translation.

**The Acting Speaker (Mr. Kilger):** Order. We were having technical problems, which have now been solved.

• (1040)

[*English*]

**Mr. Hanger:** Listen to the minister's math on page 8. In 1995 accompanying family and sponsored families together are expected to make up about 80 per cent of total immigration from the broader vision immigration and citizenship outline. On page 9, economic immigrants, skilled workers and business immigrants will make up 43 per cent of the immigrant component for 1995. This percentage remains unchanged from 1994. If you add up family and independent immigration you get a whopping total of 123 per cent. That is Liberal math. Nothing changes. The numbers are fudged. No action is being taken. Today's announcement is pure smoke and mirrors.

This government thinks the Canadian people can be swayed into believing that non–action is action, that no real change in numbers means a cut, that tough talk equals tough action in the minds of the voters. Well I have news for government members. The people will not buy it.

Today's announcement says that enforcement will be beefed up and that removals will be clarified when in fact the minister has created a permanent amnesty for failed refugee claimants. That is pretty convenient. Those people who have tied up and backlogged the system with taxpayer funded appeals, with legal manipulation for three years get an automatic amnesty.

This government punishes those applicants for immigration who make a real contribution to this country, those who play by the rules, who fill out the right forms, who wait in queues that last for years in some cases. At the same time the government rewards those applicants who come in illegally, who work the system with legal aid lawyers and who can evade removal for three years. That is disgraceful.

Let us look at the numbers again. The 1994 plan calls for 30,700 skilled workers. The 1995 plan calls for 24,000 to 26,000 skilled workers. The 1994 plan calls for 6,000 business class immigrants. The 1995 plan calls for 4,000 to 5,000 business class immigrants. The total economic class was 97,700 in 1994. This year it is 71,000 to 80,000.

In other words we are looking at substantial cuts to those immigrants who can make an immediate and substantial contribution to the economy. There is no change to the level of those immigrants whose contribution is unknown and there is an amnesty for those immigrants who jump queue and abuse the system.

Again the independent and economic classes are dropping substantially and do you know why? Because the same woolly headed policies that are guiding the immigration department are also guiding the finance department, the human resources department, and on and on.

This Liberal government has created an economic climate of high taxes, huge debt and low return on investments. It is discouraging those immigrants who could contribute the most to the economy of the country. In fact in Calgary there are something like 400 business class immigrants who have not invested their money because they do not see any advantage in doing so. Canada is no longer an attractive place for investors and business people. It is however the most attractive destination in the world for queue jumpers and failed refugee claimants.

The immigration plan speaks of a broader vision, a 10–year framework. It is a broader vision of the same old thing, a new framework for the same old policies. It has cost the immigrant program its legitimacy. It has discouraged independent immigrants. It has made the Canadian people fundamentally question the role of immigration to Canada. That is a shame.

• (1045)

Immigration can and should work for the country. Immigration should be about nation building. That term has been used by the government time and time again but it really rings hollow when said from that side. It should be about enriching Canada. It should be about benefiting immigrants and Canadians alike.

The plan is about deceit, number fudging and politicking. The government has let down immigrants and Canadians alike.

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## COMMITTEES OF THE HOUSE

### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 45th report of the Standing Committee on Procedure and House Affairs. It concerns the membership of committees.

[*Translation*]

Mr. Speaker, I think you will find that there is unanimous consent to dispense with the reading of the 45th report of the Standing Committee on Procedure and House Affairs. Also, with the consent of the House, I would like to move that the 45th report of the Standing Committee on Procedure and House Affairs, tabled in the House today, be concurred in.

(Motion agreed to.)

[*English*]

## QUESTIONS ON THE ORDER PAPER

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

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

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** 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 40 minutes.

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# GOVERNMENT ORDERS

[*English*]

## WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION ACT

The House resumed from October 27 consideration of the motion that Bill C–57, an act to implement the agreement establishing the World Trade Organization, be read the second time and referred to a committee.

**Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, it is certainly a pleasure to be able to speak for a few minutes this morning on Bill C–57 and to talk about world trade and the importance of world trade to Canada and to Canadians, in particular the men and women who work in the country's agriculture and agri–food sector.

The legislation we are discussing today will establish the new World Trade Organization or the WTO. It will incorporate the General Agreement on Tariffs and Trade, a sweeping 120–nation accord which was agreed to in principle in December last year and was approved by member countries last March or April in Morocco. The agreement and the WTO which will administer it offer great benefits for Canadians in the creation of jobs, wealth and the opening and securing of new and vital markets for the country's export commodities.

Canada is a nation that is dependent on trade, and we all know it. Nowhere is that more evident than in the agriculture and agri–food sector. In 1993 Canadian agri–food exports of $13.3 billion contributed a surplus of almost $3 billion to Canada's balance of trade, almost one–third of Canada's total merchandise trade balance. As former Liberal agriculture minister, Eugene Whelan, once noted, agriculture pays the bills.

At the same time Canada's share of the world agri–food market has declined since the early 1960s. In contrast the European union's share, particularly that of France and the Netherlands, has increased significantly. From Canada's per-

spective exports to Europe fell from $1.35 billion in 1981 to about three–quarters of a billion in 1993. At the same time our imports from the European union rose from about $400 million to almost $1 billion. This tells us that while the sector is doing well it must continue to do better.

• (1050)

Last year the industry and federal and provincial governments agreed on the goal of increasing Canada's agri–food exports by 50 per cent from $13 billion per year in 1993 to about $20 billion per year in 2000.

In July of this year the agriculture ministers reaffirmed that goal and added a further target of achieving a 3.5 per cent share of world agri–food trade. That is an objective in line with our historic share, but it will push the requirements to meet that to exports which will reach a value and total of about $23 billion.

In addition to steps that are being undertaken in Canada, the new WTO will have a large role to play in increasing our exports, increasing jobs and increasing prosperity. The World Trade Organization represents a significant step forward for the agriculture and agri–food sector. The agreement sets down for the first time ever clear rules for international trade of agricultural products.

The agreement represents a substantial reduction in trade distorting export subsidies, better trade rules for agriculture, and improved and more secure access to markets around the world for Canadian producers and processors. It will greatly assist Canadian producers and processors in their continuing efforts to develop new markets around the world. The new markets will be in addition to the Mexican and U.S. markets that we have obtained through NAFTA. New rules will apply equally to all countries and the specific exemptions of countries will be eliminated. This will allow Canadians to compete in a more predictable and fairer international trading environment.

What does it mean in real terms? The respected OECD or Organization for Economic Co–Operation and Development predicts that for all sectors, the total, the agreement will inject almost $8 billion into the Canadian economy by the year 2002. That is $8 billion into the pockets of working men and women across the country over the next eight years.

The government was elected to create jobs and wealth. That is why I am bullish on the WTO. I know some members, particularly those from Quebec, Ontario and Atlantic Canada, have some genuine concerns about just what sort of impact the agreement will have on the country's vital and prosperous supply managed sector, the dairy, egg and poultry sector.

Let me take this opportunity to assure the House that supply management will be able to continue to operate as an effective Canadian approach to producing and marketing dairy and poultry products. The agreement supports the continuation of the supply managed industry through two fronts. The first front is the import tariffs first announced in December 1993. They will maintain a high level of protection for the sector. It is true these levels will be reduced by a total of 15 per cent over the course of the next six years, but it will still afford producers and processors with the protection they require. The six–year phase in period will give them ample opportunity to make the necessary adjustments in order to compete and win in the new international marketplace.

Imports which will be coming in under the minimum access commitments will not unduly disrupt the Canadian market. For butter the access commitment will rise from about 1,900 tonnes to around 3,200 tonnes from the year 1995 to the year 2000, a five–year period. In the poultry area import access of chicken will continue to be governed by the CUSTA or the FTA. Access for turkey will rise slightly to about 5,600 tonnes by the year 2000 while egg access will also rise very slowly. It is unlikely there would be imports of dairy, poultry or egg products outside these access commitments since the tariff levels will make them uneconomical.

• (1055)

The government regards very seriously its commitment to the future and to the well–being of the supply managed sector. That is why on December 16, 1993 the federal and provincial agriculture ministers formed a small task force, headed by myself, to look into the specific implications for Canada's supply managed industries.

After consulting with all stakeholders the task force proposed that an industry ad hoc review committee in each case be established for each commodity group sector. These ad hoc committees have been meeting throughout the year, will be meeting over the fall, and will continue to meet to determine whether a consensus can be reached on orderly marketing frameworks for the future. The task force was scheduled to report to the federal–provincial ministers meeting in December. I can report the results are very promising, although they have been incredibly challenging and are not all completed yet. Successful conclusions will be reached in order to maintain the sustainability of our orderly marketing system to the benefit of the industry and to all Canadians.

The World Trade Organization also holds benefits for other sectors within the Canadian agricultural industry. Volumes of European union and United States wheat shipped with export subsidies will be reduced over the next six years by 40 per cent from the levels they are at present. The reductions in export subsidies for wheat, barley, vegetable oils and other grains are expected to significantly improve market prospects for Canadian grains and oilseeds in world markets.

The agreement offers good export potential for other commodities as well. Replacing import restrictions and levies with tariffs in the European union, Japan and Korea will result in additional export opportunities for beef, pork, malt and a range of processed food products. The inclusion of an agreement on intellectual property rights will offer protection for Canadian whisky and wine names. This is expected to improve the marketing of these products throughout the world.

Processed food and vegetables such as French fried potatoes, canned corn, frozen blueberries and raspberries, and other products such as honey, maple syrup and apples, will benefit from reduced tariff and non–tariff barriers notably in the European union and Japan. Special crops such as dried peas, beans, lentils, tobacco, mustard, canary seed and alfalfa will also benefit from improved access. For example, the European union will eliminate tariffs on lentils and white pea beans over the phase in period. Japan will reduce its tariffs on lentils by 36 per cent.

A framework of rules will reduce the misuse of technical measures as unjustified barriers to trade. Measures to protect human, animal and plant life or health, which measures were usually referred to as sanitary and phytosanitary measures, will be subject to clear disciplines. We will continue to have the right to establish the level of health protection that we consider appropriate in Canada. However, the measures any other country uses to achieve that level of protection must be based on a sound scientific approach.

As I mentioned earlier, the WTO will for the first time establish clear rules for international trade of agricultural products and eliminate heavy handed and unfair trade rules and restrictions. A good example is the U.S. and its use of the section 22, a trade measure it has used that has been featured prominently in recent Canada–United States bilateral relations.

When the World Trade Organization is implemented in 1995 the United States will have to give up its GATT waiver which allows it to take section 22 trade actions. Obviously there will continue to be disagreements in our large and mutually beneficial trade. We will deal with those on an individual basis as they arise. Thanks to the WTO a particularly onerous piece of trade protection such as section 22 will be a thing of the past.

As countries around the globe change to meet their WTO commitments, Canada too will have to make some adjustments in order to comply with the new world of international trade.

• (1100)

While the export subsidy provisions of the agreement will have an impact on the Western Grain Transportation Act, the Government of Canada has already been consulting with the sector to reform the WGTA. This consultation is designed to ensure that the WGTA better meets the needs of producers, industry and Canada's export customers and to bring it in line, along with other government programs and policies, with the new fiscal realities being faced by the government.

This consultation will ensure that affected stakeholders will have a vital role to play in crafting a made in Canada reform of the WGTA. Over the course of the next few months the Minister of Agriculture and Agri–Food will conclude these consultations with a view to being in a position to make an announcement early in 1995. The government is confident that these reforms can be implemented long before the World Trade Organization reduction provisions would take effect.

The world is changing and it is imperative that Canada change with it, lest we will be left behind. The WTO will usher in a new, vibrant and exciting period in international trade, a period where clear trade rules will replace unfair and discriminatory trade barriers, where Canadian products will be able to compete in markets around the world on their own merit and not be hobbled by the extra weight of trade restrictions, where Canadian producers, processors and exporters do not head for the end zone only to find that the goal posts have been moved.

As I said at the beginning, Canada is a trading nation. Much of its wealth depends on trade. Fully one in four jobs in this country are trade related. The agriculture sector, indeed all sectors, need the stability and the market certainty that the World Trade Organization has to offer.

Canadians are ready, willing and able to do the job. They simply require access to the proper tools with which to do that job. The WTO will provide them with the necessary tools to compete and to win the export markets, to further hone our competitive edge and to create jobs and prosperity for all Canadians. I think they deserve that chance.

**Mr. Charlie Penson (Peace River, Ref.):** Mr. Speaker, I want to congratulate the parliamentary secretary for his speech on the World Trade Organization this morning. He shares a view that a lot of us share, that it is vitally important to Canada to implement the World Trade Organization.

I was interested in his comments regarding agriculture and the fact that agriculture probably is one of the biggest winners in the GATT negotiations. For the first time we have trade rules established that are going to govern agriculture. I would like to ask if the parliamentary secretary shares my view that one important sector in agriculture still needs quite a bit of work, and that is the whole area of supply management. For the first time border restrictions have been converted to reducing tariffs. Very high levels of tariffs are set. It is my understanding that we have a second round of negotiations in agriculture down the

road, either in five or six years, under the World Trade Organization, once it is set up.

I wonder if he shares the view that it is imperative that we continue to move this process along toward reducing tariffs with the ultimate goal in Canada and the United States of having free trade in the supply managed sector as well. Would it not be important to ask the supply managed industries to move toward a certain period of time? Everybody realizes that they need some time to adjust. I certainly do because these people have financial obligations which they had made under the rules of the day.

However the new World Trade Organization is going to shed a lot of light on the fact that Canada has some weaknesses at home, as does the United States, in the area of supply managed tariffs that are extremely high. I wonder if the parliamentary secretary could share his views on how that can be achieved.

**Mr. Vanclief:** Mr. Speaker, if the hon. member across expects members on this side of the House to say that they do not believe in supply management of the dairy, egg and poultry sector, he is speaking to the wrong group. We believe in it. We support it. We are working with those sectors.

• (1105)

I have had the opportunity and still have the privilege of chairing the task force that is working with all of the stakeholders in the supply managed sector. Each one of the commodities, be they dairy, egg or poultry, are adjusting and evolving.

I am sure the member is somewhat familiar with what has taken place during the last few weeks in the poultry industry. The supply managed industry has provided, at a reasonable cost to Canadian consumers, the highest quality, most constant supply of those products that any country in the world has without fluctuating prices. The supply is always there. It is of high quality and it is safe.

In return it has given a tremendous amount of stability not only to the primary producer but to the processors and to the complete agri–food chain. They know where their product is coming from. They negotiate what the price is going to be and then the consumer knows that product will always be there and be of top quality.

[*Translation*]

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, during his main speech, the hon. member for Prince Edward—Hastings said earlier that supply management could be maintained. And then he started to talk about higher tariffs that could protect farmers working in a supply managed industry. Every member in this House knows full well that the supply and demand oriented farming industry is concentrated mainly in Quebec and in Ontario and that supply is regulated by quotas.

In order to reassure me and to reassure our farmers, be they involved in dairy farming, poultry farming or egg production, can the hon. member tell us what will happen to their quotas?

Again last week, I met a big dairy farmer who told me that he evaluated his quota at $750,000. He feared that the value of his quota would decline, even maybe down to nothing after six, seven or eight years. He said: "Mr. Chrétien, my quota was my pension fund. If it is not worth a thing tomorrow morning, I have lost my pension fund". If he loses his quota, this would be a hard blow to the real value of his farm.

I would like the hon. member for Prince Edward—Hastings to reassure us, since, as you know, Quebec accounts for 48 per cent of all dairy production. Of course, most Western farmers are not subject to supply management. For these farmers, GATT is obviously a marvellous thing, but for Quebec farmers, it may not be so wonderful.

[*English*]

**Mr. Vanclief:** Mr. Speaker, I beg to differ with the hon. member for Frontenac. The dairy farmers of Quebec and all of the supply managed sectors in Quebec know the value of supply management. If the translation was correct, he indicated that they did not realize the value or they did not know. However, in his previous comments he said that they did.

Forty–eight per cent of industrial milk production in Canada is held by producers in Quebec, not 48 per cent of the total production. There is a lot of fluid milk or consumer milk but the industrial milk is that milk which goes for cheese and further processing. That is held in Quebec.

I have said for a number of years and I will continue to say that even though there has been some tariffication used as border controls rather than a quantitative control, I am very confident that supply management will be there for those sectors for a long period of time.

I question the member's statement of the value of quota. If the member looks at what has happened to the value of quota, he will find with very few exceptions that its value in the last number of months or since the GATT agreement of about a year ago has not increased. I do not believe it has decreased, but if it has it has been a very marginal amount. That happens over the years because of production et cetera. It will go up and down.

• (1110)

It is solid and it can be maintained. The government has shown very clearly in working with the all the stakeholders in the industry over the last number of months that it is our intention to maintain it for the betterment of all Canadians right from the farmer to the consumer.

[*Translation*]

**Mr. Benoît Tremblay (Rosemont, BQ):** Mr. Speaker, we continue this morning second reading of this bill to implement the new GATT agreements and to establish the World Trade Organization. I must say this debate was brilliantly launched by the Minister for International Trade and by my colleague for Verchères who is the international issues critic for the Bloc Quebecois.

Second reading provides for a discussion of the principles and general direction of a bill while more technical aspects are closely analyzed in committee and, if necessary, the Bloc Quebecois will table amendments at third reading.

After long negotiations, Canada, like all other GATT members, must pass legislation bringing into force at the target or desired date of January 1st, 1995, the GATT agreements reached last April. These agreements strengthen significantly the legislative framework for international trade and define more clearly the rules of the game. They increase the number of sectors subject to these rules, improve the trade conflicts settlement mechanisms and, finally, establish the World Trade Organization, which we have been waiting for since the second world war.

This is considerable progress towards equal opportunity on the world markets for small and medium–sized countries like Canada and Quebec and, in fact, most countries of the world. Even if great economic powers like the United States, Europe and Japan still largely control the negotiation process, once they agree to new rules, these rules apply automatically to all GATT members, which, then, can benefit from a greater protection for their international trade activities.

Whith a level playing field, performance on the international markets depends less and less on the size of a country and more and more on its ability to design, produce and sell high quality products and services at competitive prices. Under such circumstances, small and medium sized countries can do quite well and even succeed better than large entities, as is proven every day in the world economy.

I understand perfectly well the enthusiasm shown by the Minister for International Trade who said in his opening speech, and I quote: "By creating a more open and stable international trading environment this agreement will generate increased Canadian exports and investment".

The minister is quite right and I can assure him that, on the eve of becoming a sovereign country, Quebec shares his enthusiasm and his understanding of the evolution of international trade rules.

• (1115)

Allow me to read another excerpt from his speech: "Canada's economic strength now and in the future will depend fundamentally on our willingness to stay on the leading edge of freer trade, to continue to take an active and creative role in forging new relationships and in building new structures that over time can extend the reach of a rules based international order.

The multinational system centred on the World Trade Organization will be the foundation of that international order, but it is not the only element of what is and must be a complex and constantly evolving trade order. We must harness for positive ends the profound forces pushing us all toward deeper economic integration. Today it is more accurate to speak not of trade policy as such but of international economic policy". And listen carefully, this is the minister speaking: "Jurisdictions and policy areas that have long been considered to be quintessentially domestic are now increasingly subject to international negotiations and rule making".

The minister is perfectly right. Again, Quebec is in total agreement with the Minister for International Trade, so much so that one might wonder if the minister consulted Mr. Jacques Parizeau or Mr. Bernard Landry before he wrote his speech. That is exactly what we keep saying when we consider the future relations between Quebec and the rest of Canada.

On the eve of a referendum that will determine the political future of Quebec and of the rest of Canada, I have to admit it is heartening to hear at least one federal minister making the realistic, clear and enthusiastic statement of the rules and policies that will govern economic relations between Canada and Quebec.

That conclusion and the praise I give to the Minister for International Trade may come as a surprise, but it is quite simple and natural. How could the Canadian minister seek economic ties will all sovereign countries of this world and not with Quebec, when we already have significant and productive trade relations with the rest of Canada?

Canadians and Quebecers would have a hard time understanding such an attitude, and the whole world would be taken aback. But since other ministers, the Prime Minister included, do not have that same open and realistic attitude, let us specify what is at stake. While Quebecers wish their Canadian partners will have an open and realistic attitude, the rules governing our future economic relations will not depend on attitudes only, but largely on rules set under the GATT.

It is largely a matter of international law, the broadening and reinforcement of which the minister praised today. Article XXVI(5)(c) of the GATT agreement provides that a new state carved out of a country which is already a member of GATT automatically becomes a member on becoming a sovereign state, provided it accepts conditions and requirements applying to the parent state. It is quite simple and clear. A C. D. Howe Institute study says that most Canadian experts fully recognize that fact.

• (1120)

It is primarily a matter of law. Quebec has already said that it would apply for membership and that it would accept all conditions and requirements that apply now to Canada. The only choice for the international trade minister, then, is to welcome the future relations between Quebec and Canada with the same enthusiasm he demonstrates for other sovereign states. He should so advise the Prime Minister. Given that the Prime Minister just said he likes a good fight, especially with Quebec, he will probably not greet the GATT rules with the same enthusiasm as that shown by his Minister for International Trade.

According to what he said, if Quebec becomes politically independent, the rest of Canada will want to separate economically from Quebec while remaining associated with all other sovereign countries of the world. Well, Mr. Minister, you will have to tell your Prime Minister that Quebec being a de facto member of the GATT, the same rules will apply to Quebec as to all other sovereign countries members of the GATT, and the rest of Canada will have to abide by these rules.

In international trade or GATT terms, this very simple principle is called the most favoured nation treatment. When a country gives a tariff concession to another member, that concession must immediately and unconditionally apply to all similar products coming from all member countries. That is one rule of law that will considerably restrain the Prime Minister's aggressiveness.

But that is not all. GATT goes further. It does not merely prevent discrimination between countries. It also anticipates discrimination once the product is inside the recipient country and therefore prevents discrimination towards other domestic products. That is what we call the "national treatment". It requires that GATT members adopt legislations on sales, transport and usage of foreign products which are identical to those governing similar domestic products coming from national companies so that both foreign and domestic products be treated equally.

The Prime Minister will have to admit that, if he is to abide by the law, his leeway is limited. Naturally, if his aggressive instincts are too vivid, he could break the rules of law and trigger a trade war with Quebec.

If instincts were to prevail over reason, let me repeat word for word what his Minister for International Trade said when he tabled this bill. The agreement excludes the adoption of unilateral measures in response to trade disputes. The new integrated system of dispute settlement which would mean clearer rules, shorter waiting periods and, for the first time, an appeal process with a binding ruling, constitutes a major improvement in the previous GATT system.

Finally, the effectiveness of the rules depends on the means of having them enforced. You will note that we now have an appeal process with a binding ruling, which means the possibility of having them enforced.

• (1125)

Consequently, this comprehensive reform of the multilateral system of trade dispute settlement represents a major advantage, although that is impossible to quantify for commercially less important countries such as Canada, which are fundamentally vulnerable to the unilateral approach of economic giants. That would also apply, of course, to Quebec and Canada, so that there would be no unilateral action in response. That argument applies, of course.

What can we conclude from this short analysis of the GATT rules and the speech of the minister responsible for International Trade when comparing them to what the Prime Minister said about future economic relations between the rest of Canada and a sovereign Quebec?

I think that you will agree with me that the Prime Minister of Canada seems to confuse the preparing of the referendum campaign with the preparing of an Halloween party. Instead of clearly and simply presenting the true face of future economic relations between Quebec and Canada, he is looking for a disguise to make people insecure, to scare them before the referendum, while we all know that, after a winning referendum for Quebec, the rest of Canada would simply not have a choice of rules to apply. It would have to imperatively and minimally follow the GATT rules.

After the fact, the Prime Minister will undoubtedly seek to play down his strong language from the past referendum, the hardly concealed threats made before the referendum. He will probably want to explain to us that they were only minor mistakes which would certainly not force him to resign.

I must admit that, personally, I have a lot of difficulty respecting that kind of politician. A politician who was saying during the last election campaign that he would not sign the North American Free Trade Agreement without major renegotiation, and who rushed enthusiastically to sign it a few weeks after taking office. Today, he is playing exactly the same game with the future economic relations between Quebec and Canada.

During the last election, he did not fool Quebecers and they massively voted for members of the Bloc Quebecois. I dare hope that, today, the rest of Canada agrees more with the realism and enthusiasm of the Minister for International Trade, who is seeking to build open and stable economic relations with sovereign states, than with the narrow minded and obsolete attitude of the Prime Minister, when he talks about the future economic relations of a sovereign Quebec with the rest of Canada. The rest of Canada needs a spokesman like the Minister for International Trade to prepare its future economic relations with Quebec on an open, stable and productive base which

would fit into the irreversible evolution of international economic rules.

I can assure the minister that he will find in Quebec negotiators just as enthusiastic and determined as he is in supporting openness, stability and economic growth, something which would be mutually profitable.

Today, thanks to this bill, we were able to discuss GATT. I can say that we are just as prepared and willing to discuss possible negotiations with regard to free trade, the auto pact and all the other commercial rules that bind Quebec and Canada.

• (1130)

[*English*]

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I listened with great interest to the comments by the hon. member from the Bloc about a potential trade relationship between Canada and Quebec as a result of a Quebec separation.

The hon. member has the perfect right to ask these questions even in a hypothetical situation in this Parliament. It is part of the longstanding plan to make what is unacceptable acceptable. If they talk about it long enough they will just wear us down and we will accept it as fact.

However, I would like to pose to my colleague the following scenario. Other Bloc speakers have addressed the importance of supply managed industries, particularly the dairy industry, to Quebec. As a matter of fact, with 25 per cent of the population Quebec industrial milk supplies almost 50 per cent of Canada's total needs.

In a sovereign Quebec competing on a worldwide basis for these fundamental products, what does my colleague think would happen to that quota in the rest of Canada? Does my hon. colleague think for one moment that consumers in the rest of the country would continue to pay a premium price for supply managed or priced fixed products?

Supply management is a euphemism depending upon whether you benefit from it or pay a premium for it. If you benefit from supply management it is great. If you happen to be a consumer it is price fixing. Supply management and price fixing depend upon which side of the equation you are on.

Sooner or later Quebec will not have the benefit of supply managed or price protected industries. Quebec will have to compete on a worldwide basis. Would the hon. member please respond to the core question. With a sovereign and separate Quebec does he think that the rest of the country will continue to buy Quebec products at a premium price?

[*Translation*]

**Mr. Tremblay:** Mr. Speaker, I thank the member for Edmonton Southwest for his comments and question. Of course, you can approach this debate on the general principle armed with technical data, but we will have an opportunity later on, in committee and at third reading, to talk about the more technical details, especially the GATT provisions regarding this issue. Canada cannot unilaterally change existing or agreed upon rules. We will have an opportunity to discuss this some other time.

In general, in Canada, we have a whole series of protected industries, although to a lesser degree than previously. The member may know that because of subsidies, transportation costs between Ontario and the maritimes are much lower than between Montreal and Louiseville, which is only 30 kilometres away. Subsidies are going to be decreasing because they will no longer be allowed on the world market in which we must compete.

The member also knows that for the past few years, it has cost billions of dollars to support grain producers and that in view of the present financial situation, it will soon no longer be possible to provide the same level of support. Trade negotiations are aimed at reducing grain subsidies in all the countries.

The same is true of production quotas. We are aware of it; indeed, it is planned under the GATT agreement. Nothing comes as a surprise. The GATT agreement provides for quotas to be replaced by tariffs which will gradually decrease.

What you are saying is that should Quebec become politically sovereign, Canada could unilaterally decide to speed up the reduction of tariffs, which is already provided for under the GATT agreements. My answer is that we have the GATT rules. You can always try it; we will see what happens during the GATT negotiations, unless Canada wants to withdraw from GATT and isolate itself from the rest of the world. The rules are there. Of course, farmers will have to adapt.

• (1135)

You know what the problem is. Assistance to help farmers adapt is completely ineffective.

I can tell you that last week the Bloc Quebecois met with the president and the executive director of Quebec's Union des producteurs agricoles. The executive director is a well known economist who has, on a number of occasions, advised the American government on agricultural issues and who knows the agricultural side of international trade very well. He is quite prepared to deal with the realities of GATT and the international scene and is aware that agriculture in Quebec will have to adapt, as it has in other countries.

As I am sure you know, the GATT agreements provide for a certain number of stages and, within a certain number of years,

these trade barriers will have to be lowered. But, as you know, there is also the problem of the quality of what we are feeding animals. When is a chicken a chicken? Is the quality of milk nowadays, with all the new hormones, the same as it once was? It has reached the point where we wonder whether we are looking at a chicken or a chemical product.

So, there are problems with respect to the quality of animal feed and of milk. A well known French scientist has said that, for the first time in the history of the world, we are beginning to wonder if science is serving mankind. For decades, until the atomic bomb, we were not in any doubt. Now we are asking questions about the food supply, *in vitro* fertilization, the list goes on. We are wondering if science is truly serving us. Before liberalizing all food trade with the United States, we must stop and think about the health of Canadians.

[*English*]

**Mr. Ovid L. Jackson (Bruce—Grey, Lib.):** Mr. Speaker, it always dangerous when we get into the realm of the hypothetical. My friend from the Reform Party, the member for Edmonton Southwest, posed a very significant question. Whether Quebec separates or not it will have to deal with the rest of Canada.

I do not think there was an answer with regard to how we would deal with it, if it would be more effective than it is now or not. Our Prime Minister is from Quebec. Our finance minister comes from Quebec. The interests of Quebec can be best served by our current system. There will be some arrangements and what have you.

The rest of Canada will suffer and Quebec will suffer should it separate. The people of Quebec have to understand that they are going to substitute one set of people, intellectuals, government for another. They have to ask if that is going to be a better method than the current one. It will get terribly problematic.

The member for Edmonton Southwest posed a question about the milk quotas. We have a lot of agreements as part of the family. What happens when you are not part of the family and you are separated? What happens in a case like that? We are in the hypothetical realm.

The interests of Quebec are served best by the current system. Notwithstanding that, it will change because the dynamics of the way humanity is going have to change. We have come through different kinds of revolutions. We have come through the industrial revolution and we are into the information era now.

Quebec does a lot of good things. Its court systems are good. The way it deals with young people is good. There are a lot of things that the rest of Canada can learn from Quebec. However, for Quebec to go with this bunch of intellectuals who are just seeking power for their own sake I think is wrong.

[*Translation*]

**Mr. Tremblay:** Mr. Speaker, I would just like to say that I did not hear anything of consequence in my colleague's intervention. As for his attempt to tell Quebeckers that he likes them better than their members of Parliament, I will let them be the judge of that.

[*English*]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, as I listened to the debate preceding my speech on Bill C–57, I am almost tempted to change it and make a few remarks with regard to a separate Quebec and what would happen to supply management as it now exists in the province of Quebec.

• (1140)

Needless to say, I would briefly say that the hon. member for Rosemont is circumventing the issue and is not prepared to deal very frankly with his constituents and the people of Quebec as to what would happen if there were a separate Quebec trying to deal in trade issues with the rest of Canada.

The purpose of my address this morning to the House is to speak to Bill C–57. I want to speak to it more directly as it affects grain transportation in western Canada. This bill will very directly affect the lives of my constituents in Kindersley—Lloydminster. On balance this bill will have a very positive effect on the farming industry and I fully understand the need for this piece of legislation.

I have some concerns about some of the things that are not in the bill and the fact that in many areas more should have been done. It is essential that this World Trade Organization agreement be implemented to move the combatants in the international trade war in the direction of trade, peace and sanity.

This large, three–inch thick bill represents the successful completion of the Uruguay round of the GATT and this agreement is the largest, most complex and most comprehensive trade negotiation ever undertaken. The major agreement for Canada is the introduction of a common set of rules to govern trade in agricultural products.

This bill has the effect of causing changes in 31 existing statutes to bring Canada's internal trade distortions in line with international regulations. I will concentrate my remarks today on the changes to the Western Grain Transportation Act and the impact they will have on the agricultural industry, particularly the Canadian Wheat Board region of Canada.

Unfortunately this legislation makes only the minimum possible changes to the WGTA in order for it to comply with the new GATT and World Trade Organization rules. I believe we must continue to work toward a complete overhaul of the WGTA to make it relevant to today's realities. I am discouraged that the

Liberals are making only minor changes only because they have been forced to.

The WGTA was enacted in 1983 and it is recognized that the requirements for agricultural transportation have changed. Farmer productivity was up and is up. Farms were bigger and crop yields were growing rapidly.

The minor changes to the grain transportation system found in this bill fail to recognize that the changes in the industry since 1983 have continued the pre–WGTA trend. It has become clear that the international community views the current grain transportation system as a direct subsidy.

Bill C–57 makes very few changes to the act ensuring technical compliance with international rules at present. However, this is minimum compliance and will come back to haunt us for two reasons. The fact is that as the schedule of GATT regulations come into force we will have to continue to make changes to our transportation system.

Rather than a real overhaul of the system to prepare Canadian agriculture for the 21st century, the Liberals would rather make a series of small changes with an eye to preserve as much as possible of the past.

The second reason why making only minor changes to the WGTA is inadvisable is that these changes will create some inequities and biases between Canada's grain handling ports.

The Lakehead port at Thunder Bay gets singled out in the subsidy regulations from the other main terminals in Vancouver, Churchill and Prince Rupert. Historically Thunder Bay has been favoured over western ports and this entrenchment of special status will only deepen farmers' resentment of the system.

Legislators have always defended this action with assumptions that it is cheaper to ship grain east through Thunder Bay than to go to the west coast.

However, a 1992 study by the National Transportation Agency revealed that it actually cost on average $1.04 more per tonne to ship east. It would appear that even in the face of this evidence, the special treatment continues. The St. Lawrence Seaway is sinking in debt and burdened with growing costs and shrinking traffic. Those in the industry are concerned that the changes to the Crow rate will spell the end for the seaway.

Rather than make the necessary transportation reforms to help the ailing waterway, it seems the government has decided to play politics with agricultural transportation policy.

• (1145)

The introduction of this bill provides an excellent opportunity to completely overhaul the WGTA. The grain transportation issue has been studied to death. It is clear that farmers are calling for a much improved system. I realize this government prefers studies to action but there have already been so many studies on this issue that there are no more studies that are conceivable.

I really have to question the reasoning behind creating a two tier system for grain transportation, one for Thunder Bay and one for everyone else. Under the new regulations for Vancouver, Churchill and Prince Rupert ports there will be a cap on the amount of grain that can receive the WGTA subsidy.

More specifically this cap takes the following form: one, the volume of subsidized exports must be reduced from 1993 levels by 21 per cent over a six year period; two, the level of total expenditures on export subsidies must be reduced over a six year period by 36 per cent within a minimum of 15 per cent for each specific commodity; three, over that six year period the level of domestic support programs must be reduced by 20 per cent.

Regional development, research, environmental protection and farm income protection programs are exempt. In the area of market access all measures other than tariff duties must be replaced by tariffs and lowered by an average of 36 per cent over the six years.

After the cap is exceeded 100 per cent of the transportation subsidy will be paid by the shipper who will then pass that cost on to the producers. There will be none of these caps for grain moved through the Thunder Bay terminal. Very interesting. This encourages gross distortions like shipping grain to Thunder Bay and then back out west before export just so it can qualify for the WGTA subsidy.

It is no wonder our competitors have reservations about our system. It might look as though this is a way of subsidizing Canada Steamship Lines and the other lake freighter companies, some which may affect the business interests of the Minister of Finance.

Although changing the way the WGTA operates will create some administrative difficulty, the common rules that our international competitors now use are of net benefit to Canadian farmers. Compliance may have some drawbacks for the administrators but it is clearly in the best interests of farmers.

As I said before these changes that the government is making are generally good but it would have been much better to completely overhaul the transportation system.

Currently the WGTA legislates that the Crow benefit is to be paid to the railroads. There has been an ongoing debate in farm circles about the advisability of the pay the producer model for transport assistance. There are those who have argued that it would be much more effective and efficient to pay the Crow subsidy directly to farmers and then have those producers pay for the full cost of shipping a product to export.

Reformers have argued that the best way to encourage efficiency in the system and to ensure that our agricultural industry is GATT green is to undertake a complete overhaul and consolidation of government agricultural support. We have argued that

WGTA spending should be included in a new trade distortion adjustment program available to farmers caught under siege in the trade war between the U.S.A. and Europe. Our trade distortion program could be harmonized with the phase down export subsidies of our trading competitors, particularly the U.S.A. with its EEP program. We could target producers who are caught in the crossfire of the trade war.

This trade distortion adjustment program appears to meet all the GATT conditions for fair trade. It is publicly funded. It is not commodity specific. It does not provide artificial price support to producers. Not only would this kind of reform comply with all of the GATT and WTO regulations, it would also provide the Canadian industry with a more efficient system. A consolidated support system would provide farmers with a more cost effective agricultural plan that is more responsive to an ever changing environment.

A thorough reform of the grain transportation system would have to correct the many problems within the current WGTA. The current system encourages inefficiencies like the backhauling of carloads of grain from Thunder Bay which I mentioned earlier. In many cases the same grain is shipped from Winnipeg to the lakehead and then back again. Not only is this gross waste but it is being done in part with taxpayers' money. Unfortunately the minister of agriculture is delaying the action he promised to rectify this absurd practice forced on us by the WGTA.

• (1150)

Canada probably has the most inefficient hopper car allocation system in the world. No doubt the Soviet Union had one which was worse but it sort of went out of business. There are far too many different players with their fingers in the car pool. Everyone in the industry, the producers, the grain companies, the Canadian Wheat Board, the grain transportation agency and the railroads have cars going every which way and no one has the overall control to allocate and co–ordinate grain cars in the Canadian Wheat Board region.

One possible solution to that problem is to at least consider privatizing the railway's rolling stock. Economic incentives matter and it is unlikely that someone whose livelihood depends on the efficient movement of hopper cars would continue the current practice of bunching up idle cars at one end of the line while grain is waiting at the other. Neither would they let them sit for weeks at the end of sidings, either full or empty.

In the small community of Kyle in my constituency quite often the railroad sends the cars down to the community. If they would just work for 15 more minutes they could spot all those cars and they would be filled that day and hauled out of the community back on their way to export. In fact, because of the regulatory system we have those cars cannot be spotted until the train sits for eight hours. The cars are then spotted after that period of time. This does not happen all the time but does occur quite often. The crew then leaves Kyle leaving the empty cars behind. The cars could have been filled during that eight hour period but some of the regulations would have to be changed.

The other day a train arrived in the small community of Beechy in my constituency. Because of a mixup in orders several cars left the community empty. There was no procedure whereby those cars could be allocated from one company to another that had the right grain and could fill the orders at that time.

There is another incident I would like to raise. A friend of mine travels quite frequently between Calgary and my constituency. He kept driving by the same cars which were sitting on a siding in Hanna, Alberta. He was curious so he wrote down the serial numbers of the first and last cars sitting on the siding to make sure it was the same group of hopper cars sitting there. Several months later when he drove by the same hopper cars were sitting on the same siding, not rolling, not serving the purpose for which taxpayers' money went toward in buying those cars. The system has to change.

The current system has no incentives for efficient performance in shipping grain. Perhaps more important, there are no penalties for inefficient performance. All of the players in this system are not adequately encouraged to make the system work beyond their own small involvement in the whole process.

The current system is inflexible and tends to reflect the agriculture production of yesterday. Our transportation system should serve the agriculture economy of today and have a very watchful eye on the future. The inflexibility of the WGTA, both of today and after the minor changes enacted by this bill, stifles that evolution.

Farmers of today have diversified and are now growing canola, lentils, peas, mustard and canary seed, to name just a few of the newer farm commodities. Currently our transportation system is not adequately equipped for this diversity and is therefore not serving the needs of Canadian farmers.

Also, the current system hinders innovation in transportation solutions. For instance, many private operators have offered to take over the branch lines which the CN and CP can no longer afford to run. These entrepreneurs have usually been blocked at every step by the government, crown corporations and other quasi–governmental agencies. I cannot imagine why the government would hinder any proposal that would provide a service to Canadian farmers which it cannot provide.

In short, the Canadian grain transportation industry needs a complete overhaul to bring it into the 1990s and prepare it for the next century. This bill makes a few long overdue adjustments to the system, but again only the minimum was done to ensure compliance with GATT.

I cannot oppose this bill because the ratification of the GATT agreement through this World Trade Organization bill is absolutely essential if we are to effectively participate in the wide areas of trade and export.

I challenge the government to do more than tinker with the WGTA. In fact, I challenge this government to break down the dozens of interprovincial trade barriers which prove that our country is functioning less efficiently within our borders than we are prepared to function with our trading partners through this new World Trade Organization agreement. I challenge our government to bring agriculture support mechanisms into the 21st century. I challenge the ministers of trade and agriculture to follow up Bill C–57 with a complete and very necessary reform package.

• (1155)

[*Translation*]

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, as the hon. member of the Reform Party said so well, Canada is a big country. And in this big country, there are wide differences in both views and geography. The same applies to agriculture.

Throughout his speech, my Reform Party colleague had a lot to say about grain producers, the Western Grain Transportation Act and hopper cars that ride empty in order to get the subsidies, but at no time did he mention the problem of Eastern producers, or only in passing. Most of these producers earn their living under a supply management system.

I hope that the tariffs that will eventually be substituted for supply management will be high enough to protect our farmers in Quebec and Ontario, including dairy, poultry and egg producers. These tariffs are supposed to go down by 15 per cent, while all tariffs will reach 36 per cent over a six–year period.

My question for my Reform Party colleague is this: How does he see the position of article XI in the GATT negotiations, which raises the question whether the markets of farmers who depend on supply management will be sufficiently protected? I realize that since the hon. member lives in Western Canada, he was more intent on the needs of his own constituents, and I understand that, but Quebec is still part of Canada—for a little while yet, I hope.

I would appreciate the hon. member's opinion on supply management and tariffs, as well as his party's position on these issues.

[*English*]

**Mr. Hermanson:** Mr. Speaker, I appreciate the question from my colleague from the Bloc. I would first like to inform him that there are supply managed producers not only in western Canada, but a number of them are in my constituency. A number of them support the Reform position with regard to what will happen to supply managed industries.

During the election campaign Reform was the only party that was calling a spade a spade. We said there were going to have to be changes to the supply management industry if we were going to be able to comply with the GATT negotiations that were under way at that time and which were not completed until after the election.

In fact what we predicted almost happened to be 100 per cent accurate. The import quotas were replaced by tariffs. We suggested those tariffs would have to be high enough to protect those industries during a transition period to a global market economy. The GATT agreement has actually been very generous to the supply managed industries in that there are extremely high tariffs in place, 300 per cent tariffs for many commodities, which basically excludes any importation of those products.

As a result of this World Trade Organization agreement and regulation it seems that the supply managed industries have preferential treatment over many other sectors of agriculture which are phased down more quickly and have to take much greater reductions in subsidies.

I would respond to the hon. member in saying that the supply managed industries have probably fared better than the majority of producers in my part of the country who are going to see substantially higher reductions in the subsidies they receive.

I would also take this opportunity to remind the hon. member that if he does get his way and Quebec does separate from the rest of the country, these favourable conditions certainly would be very difficult to sustain. I am sure that Canadians would not continue to give the province of Quebec as high as a 50 per cent market share of industrial milk into Canada for instance.

• (1200)

It would be wise if he would explain the situation to his constituents. In fact they would be hurt much more by opting out of Canada than by remaining in Canada, even though we agree that supply management has to be reformed and that some of the basic rules under which it functions have to change.

[*Translation*]

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, I will try to be as brief as I can. I was a little upset by what I just heard from my Reform Party colleague, when he said that if, as they say, Quebec should separate from the rest of Canada, the rules for selling Quebec milk on the Canadian market would no longer be the same.

May I remind the hon. member that Western Canada, and especially Alberta, enjoys certain facilities for marketing its beef in Quebec which are also very attractive.

**An hon. member:** Eight hundred million.

**Mr. Bergeron:** Eight hundred million dollars worth of beef annually, I am told. That is quite a lot. I imagine Canada will not be so stupid as to jeopardize its markets in Quebec by trying to strong–arm a future sovereign Quebec. The president of the Mouvement Desjardins said that if Canada wanted to play hard ball with Quebec after sovereignty, the financial consequences would probably be the same for both parties.

Since Canada is a free trade country—at least I hope so—and since it is a capitalist country and wants to make a profit, it will not forego this attractive market in Quebec and thus will not close its own markets to Quebec products, which would make it vulnerable to the same treatment from Quebec.

That being said, my Reform Party colleague should also realize that in a North American free trade context, these so–called threats that Canada might close its doors to products from Quebec are an anachronism, and Quebecers realize this.

[*English*]

**Mr. Hermanson:** Mr. Speaker, it is interesting the hon. member would refer to the beef industry because it is one of the most freely traded commodities in Canada. If there is anything we have done in Canada in the way of regulation it is to help the beef industry in central Canada by shipping our feed grains to eastern Canada at subsidized rates under the Western Grain Transportation Act, which I said should be eliminated and administered in different ways.

I am not sure if there is a problem with the beef industry in Quebec, but I assure the hon. member that industry is not subsidized in western Canada. I am not sure if it is in his part of the country. The only area where there are significant subsidies is in the transportation of feed grains to his part of the country for the beef industry there.

It must be that the producers in western Canada are very efficient and are able to make a profit in the marketplace. I applaud that and say that if they lose the Quebec market I am sure they will be able to fill other markets without any difficulty.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, I rise in the House today to draw the attention of my colleagues to the specific impact on culture of the current trend towards globalization. We are now examining Bill C–57, an Act to implement the Agreement Establishing the World Trade Organization. The purpose of this bill is to harmonize Canadian laws with the broad principles negotiated by GATT members.

During the Uruguay Round, we maintained and we continue to maintain, that in these wide–ranging global trade talks, culture should enjoy special safeguards that respect the sovereignty of states and their desire to preserve their specific identity. We are of course referring to the demands made by the Americans to include culture in free trade.

The Americans have been trying to impose their cultural industry throughout the world for some time. The U.S. audio–visual industry is their second largest export sector. They have been able to develop a very powerful industry, since their domestic market is the biggest in the world.

• (1205)

That is why according to them, culture should be considered as just another commodity, like a pair of shoes or a computer. In fact, the Americans totally dominate the industry.

As early as 1947, the General Agreement on Tariffs and Trade contained a major provision, article IV, which was intended to protect national cultures against the unbridled implementation of the principle of the free movement of goods. This article covered special provisions relating to cinematography. Member countries were allowed to set screening quotas, in other words, a minimum of domestic films to be screened in the country concerned.

In 1961, the Americans demanded national treatment as provided under article III and felt that the quantitative restrictions imposed by certain states, including Canada, with respect to U.S. television programs were discriminatory and violated article III. Canada argued that its right to impose such restrictions arose from article IV of the agreement, which provided that a country had the right to limit access to its film market. In fact, Canada extended to television its right to limit the screening of foreign films. Of course in 1947, when the GATT agreements were signed, television was a technology whose impact was hardly predictable.

Various attempts to reach an agreement were unsuccessful, so that as far as television programs are concerned, the intent of article IV is still not quite clear. However, the controversy clearly showed the lack of enthusiasm of the American government for trade restrictions on cultural grounds.

In the late 1970s, the Americans are at it again. The GATT secretariat is mandated by the contracting parties to compile a list of all non–tariff barriers. The US list mentions various foreign practices designed to limit the importation of American cultural products. Also and for the first time, the United States denounced the subsidization of national film producers and distributors practised in 21 member countries. Again, the principle of financial freedom advocated by American interests clashes with that of cultural development and national identity.

This exercise did not result in any concrete measures at the Tokyo Round, in particular because the major part of the cultural product was often considered within the OECD as falling under trade in services instead of trade in goods, which automatically excluded it from the scope of the GATT agreement.

Starting in 1986, at the insistent request of the United States, three new subjects were to be covered in the new round of trade negotiations: intellectual property, investments and services, culture being assimilated to a service. It then became increasingly difficult to exclude cultural products from the market logic peculiar to GATT.

In 1990, in the context of these negotiations, a special committee was set up to look into the liberalization of trade in the specific area of audiovisual. Two opposite sets of views were represented in this committee, with the United States insisting that no restriction be put on the movement of goods and services, while the European Community was asking that, where the cultural identity of a state were involved, the State in question not be forced to make concessions that could put its cultural identity at risk. This committee was eventually dissolved, it being absolutely impossible for its members to come to an agreement.

At the same time, Canada was negotiating a free trade agreement with the United States. And again, culture and cultural sovereignty were at the centre of the debate. All the lobbies directly or indirectly associated with cultural industries set out to convince negotiators and the public that cultural products had to be excluded from this agreement. The Conservative government changed its mind on this issue depending on which way the wind was blowing: one day, culture was on the table; the next day, cross my heart and hope to die, it was not.

• (1210)

Completely contradictory statements made it impossible to get at the truth. The government claimed that the question of cultural sovereignty was not negotiable, but in fact did not demand the exclusion of the cultural industries for fear of jeopardizing the success of the negotiations. Furthermore, during the negotiations, the government scrapped a film bill designed, among other things, to guarantee better control over the distribution of foreign films within Canada.

In other words, even while the North American Free Trade Agreement was being hammered out, the Canadian government was backing away from one of its fundamental responsibilities intended to support cultural development. Knowing that Americans produce 97 per cent of the films we see, we cannot help but be concerned by the lack of vision of the Canadian government of the day.

The withdrawal of this bill is a threat to our cultural future. In fact, according to the experts, the cultural protection obtained by Canada in the Free Trade Agreement and renewed in NAFTA remains ambiguous and could be challenged. This ambiguity is summed up in article 2005 of NAFTA. Paragraph 1 provides that cultural industries are exempt from the provisions of the agreement, and paragraph 2 allows the Americans to take reprisals in other areas of activity if they feel that Canadian cultural policy goes against their interests. So much for Canada's ability to undertake any legislative measures necessary to further its cultural development. Such measures could be ill viewed by the Americans, who would take retaliatory action by virtue of the powers given them under paragraph 2 of article 2005.

Now we understand why the Canadian government withdrew its bill limiting distribution of foreign films within its jurisdiction and why the present government is dragging its feet on amendments to the Copyright Act.

In the last round of GATT negotiations, we are told, culture had a narrow escape. The Americans' push for unanimous agreement that culture is a product like any other and should be exempt from national and international regulation failed because of the forceful intervention of France, supported by the European Economic Community.

In this last–ditch attempt to save cultural expression and the democracy of ideas, Canada played a minor role, overshadowed by our cousins from France. The current government, need I remind you, belatedly supported the agreement after a period of guilty silence. This attitude reveals Canada's position on the whole issue of culture.

The Ginn Publishing affair reveals just as much about Canada's position on protecting our cultural development. Under the Free Trade Agreement and NAFTA, the Canadian government can take measures to protect its publishing and book industry. This provision was designed to allow the Canadian government to maintain its policy on foreign investment in publishing.

Why did the Minister of Heritage agree to sell Ginn Publishing? By enacting a law on foreign investment, the Canadian government had given itself a tool to protect the Canadian publishing industry. Yet, the Minister of Heritage ratified the americanization of one of our publishing houses with a smile and his proverbial naivety. This minister submitted to our neighbour's blows by willingly abandoning what nothing was forcing him to relinquish.

Do you really believe that, in the current circumstances, we can trust this minister to protect our country's culture in the next round of multilateral negotiations?

Cases like that of Ginn Publishing make us wonder about what many call the "secret clauses" of the Free Trade Agreement. Is it normal that, in a democratic country, our government makes its decisions not by consulting Parliament and the people in accordance with its own laws, but under pressure from other countries?

Some observers noted that Canada's lack of involvement in the GATT multilateral negotiations was due to the fact that it considers its cultural sector as already protected by the FTA and NAFTA. But, as we know, this protection is limited by the fear of retaliation from the American giant, by verbal agreements that leave traces and by the Canadian government's unwillingness to stand up in promoting this country's culture.

• (1215)

Furthermore, Carla Hills told Congress that GATT had precedence over the FTA, that there was therefore no cause for concern about this concession to Canadians. I should point out that she said this to the U.S. Congress. In fact, the FTA has precedence over GATT. Still, this statement by the woman who was in charge of FTA negotiations for the American side says a lot about the relative importance given to this agreement by the U.S. and their intention of re–opening it in the future.

Let us go back to the last round of GATT negotiations, which addressed for the first time the issue of intellectual property. The bill before us today contains some 20 clauses on copyrights. As with the rest of the bill, these amendments are proposed to make our Copyright Act comply with the agreements in the *Trade Related Aspects of International Property Rights*, a document containing the rules of the World Trade Organization, including those related to copyright.

These changes are minor, to be sure. They create only one new right: they allow the performing artist to authorize or refuse to permit the recording and broadcast of his performance. The remaining clauses on copyright are intended to update our Copyright Act by including the agreements in *Trade Related Aspects of International Property Rights* and the provisions of the Universal Copyright Convention, to which this international agreement refers.

As examples of these changes, note the clarifications made to the definitions of "infringing" and "performance". Accordingly, industrial piracy and trade in illegally copied merchandise will be limited.

The changes imposed by international trade are commendable. Nevertheless, they put the Canadian government's inaction on copyright on the national agenda. Phase II of the Copyright Act review was planned for last spring. The Minister of Canadian Heritage, who appeared before the Standing Committee on Canadian Heritage on May 4, said this: "I have said right from the beginning, probably even when I became responsible for this portfolio, that our copyright legislation is out of date. There has not been any major change for many years. It is not even fully in keeping with the international agreements on copyrights. We need an overhaul. We are working on it. We have teams of people doing an examination of all this. They are doing the economic impact studies and extensive consultations —I am quite determined to see amendments to the Copyright Act before too long".

But like everyone in the cultural community in Canada and Quebec, we are still waiting for this Copyright Act. This delay is tragic. Of course, it is tragic for our working artists who for ten years or so have been calling for major changes to this law. It is also tragic because we suspect that this delay could be due to the difference of opinion between the Department of Industry and the Department of Canadian Heritage.

On December 22, 1993, the Union des artistes wrote this to the Prime Minister: "The Copyright Act is now being reviewed —Under the previous government, there was an obstacle to the harmonious review of that legislation: The sharing of responsibility between the Department of Canadian Heritage and the Department of Consumer and Corporate Affairs. That arrangement led to a dual vision which, more often than not, resulted in contradictory objectives. That act is the only one protecting the right of Canadian creators".

As for the Minister of Canadian Heritage, he said on CBC radio that he did not really know what the content of phase II of the legislation on copyright would be, and that there would probably be a phase III. It seems that the heritage minister no longer has any authority to impose his views on that issue. He finds himself in a weak and isolated position in his wrestling match with the Minister of Industry. This is truly tragic, considering that it is incumbent upon that department to protect the cultural interests of Canada.

The government resorts to a stopgap measure, namely Bill C–57, to make up for the tragic and unacceptable delay. The Department of International Trade is trying to ensure that the current act is in compliance with international agreements.

I want to emphasize the importance of cultural development for a society.

• (1220)

The role of the department in this issue is crucial and vital. Why? Because, as evidenced by the Ginn episode, as evidenced now by the government's apathy regarding the review of the Copyright Act, and as evidenced also by what observers called a very close call with GATT, the right to culture, on one hand, and economic considerations, on the other hand, are on a collision course. And if the Minister of Canadian Heritage does not start creating strategic alliances right now, it is not only Canadian cultural industries which will be in jeopardy, but also democracy itself.

To understand that, we have to define culture. We could, of course, quote several authors. Let us take the definition given by British sociologist Raymond Williams, whom authors Marc Raboy, Yvan Bernier, Florian Sauvageau and Dave Atkinson quote in their book *Développement culturel et mondialisation de l'économie*: "At various times and in various contexts, the term culture has been used in one of three ways. First, it may refer to a general process of intellectual, spiritual and aesthetic development; second, it may describe the way of life of a people or a

group in a specific location or time; third, it may refer to the activities of artists or intellectuals in a given society".

Except for the last definition, which only applies to cultural producers, it appears that culture includes a wide array of information and knowledge which allow individuals to develop (including through education, as shown by Williams' first definition), to adjust and to play a role in their community (as shown by the author's second definition). From this viewpoint, it would seem that artists and intellectuals as well as cultural producers not only participate in the intellectual, spiritual and aesthetic development of individuals, but also help create an awareness of their living environment. This shows the importance of their activity, which comes under all three definitions of culture according to Williams."

Canadian economist Michael Walker also gives the following definition, and I quote: "What we refer to as culture is simply a society–wide summation of the individual choices people make".

From this perspective, culture is essentially demand as expressed by the markets. This definition puts less emphasis on cultural content, as a set of information and knowledge, than on the mechanism that promotes culture, namely a market free of any restrictions.

To compare the definitions provided by Williams and Walker is somewhat of a joke, but it goes to show the conflict between sociological and economic approaches to culture, and particularly the historical conflict between economy and culture which has characterized to this day the evolution of industrialized nations.

To conclude, the proposed amendments to the Copyright Act are imposed upon us from the outside, as a result of multilateral trade agreements signed by Canada. Are we going to let foreign countries decide what is good for Canada in terms of culture or will we pass legislation that reflects our directions, our wishes and those of our creative artists as well as the needs of our cultural industry, which promotes Canadian and Quebec talent? The Bloc Quebecois has made a choice and opted for the cultural sovereignty of this country.

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, first of all, I would like to heartily congratulate my colleague from Rimouski—Témiscouata on the excellent speech she just gave us. I find it quite revealing that she could make a twenty–minute speech dealing specifically with the cultural issue of the Uruguay Round accords and their applications to Canada.

She presented some facts on the implications of the Uruguay Round accord for culture in Canada and more specifically for copyright in Canada. Once again, I find it quite revealing that international trade agreements force us to make some adjustments to Canada's copyright law.

• (1225)

For months, my colleague has been clamoring for the federal government to legislate clearly on the issue of copyright. Is there not some ambiguity, a problem when the federal government is forced by international trade agreements to act or react on the subject of copyrights?

I put my question to the hon. member because I am sure that she has some points to make about this. Personally, I am very surprised that the federal government has taken so long to legislate on copyrights and that it is doing so in a roundabout way, when forced to by international agreements. Is this not further proof that the present Minister of Canadian Heritage lacks clout and credibility?

**Mrs. Tremblay:** Mr. Speaker, it is quite clear that it is imperative for Canada to legislate as soon as possible, calmly and in all fairness with respect to copyright. Of course, this is a very complex subject, but it will only increase in complexity as we travel further on the electronic highway. It will be complexified.

In terms of culture, I am particularly concerned when I hear Mrs. Hills tell us that neither the FTA nor NAFTA afford us any protection, while we had been led to believe they did. If indeed we are not protected under these agreements and the GATT agreement will prevail, this means in the short run that, before we know it, Canada will have been invaded by the American culture.

I would not want to be accused of trying to score political points here, but it is high time that the people of Canada, from Newfoundland to Vancouver Island, realize that the threat to English Canada is much greater than the threat to the francophone community in Quebec. The American culture is much more of a threat to you than to us. We are French–speaking and intend to remain so. That is why we want to leave this country which is oblivious of the fact that it is going to the dogs.

Wake up, English Canada, before it is too late and you have become Americans! Because we are your credit card, right now, and we are about to cut your financing.

[*English*]

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, I listened with interest to the presentation and certainly would find areas of agreement in it. However I have a real concern when I hear about a bogeyman being out there in the world that is trying to close in on us and shut us down. I am not quite sure what the member was talking about concerning all the threats that exist outside the country.

We are becoming a smaller and smaller world and in fact have to start moving outward. We cannot stay looking in as we so often hear the Bloc talking about. We cannot hold everything in and keep everybody out.

I would like to know from the member exactly what the terrible threats are against our culture from outside the country other than from the Americans.

[*Translation*]

**Mrs. Tremblay:** Mr. Speaker, I think that the greatest threat to any country comes from the United States of America. Immediately after the war, the Americans sought to impose their culture upon Europeans countries, which were flat broke coming out from the war years.

The international response was: "No way. We will not let American films invade our market this easily". And the famous motion picture production agreement was signed.

When television broadcasting first started here, in Canada, the Americans attempted once more to invade our market, going as far as boycotting Canada for a while. But they eventually realized that we were not giving in and that we were protected against such an invasion by our regulations, so they accepted to sit down and talk. What the Americans are doing now is trying again, in a roundabout way, to impose their culture around the world, from coast to coast, without forgetting anybody, because they can afford to do this. And the day when only American films, soaps, news and variety programs can be seen around the world, this world of ours will no longer be a democratic world because democracy starts up here, in your head.

• (1230)

[*English*]

**Mr. Mills (Red Deer):** Mr. Speaker, I guess I am fairly shocked at that answer, that the terrible threat out there are the Americans.

I certainly cannot imagine why any part of Canada would want to separate. Obviously the rest of Canada is going to look less favourably on a province that would separate because it would destroy the country we believe in.

Then it will be forced to deal with the Americans and let them totally dominate its culture. The best way I see for Quebec to lose its culture is the threat of separation when it would be totally dependent on the United States.

I guess I just totally do not understand the answer that I just got to my question.

[*Translation*]

**Mrs. Tremblay:** It is quite simple, Mr. Speaker. We are francophones, while the Americans are English–speaking. We do not tune in to American stations. We watch the French CBC network, TVA and TQS, mostly because programs produced in Quebec is of such superior quality, as compared to American and English Canadian productions, that we feel no need to check what is on in English to spend a lovely evening in front of the TV. We watch our shows. In addition, we have concluded agreements with the international French–speaking community and gained access to TV5. We are happy with this. But English Canadians are asleep. They do not realize that the American cultural steam roller is at their door. Too bad for them if they would rather sleep and become Americans. As far as we are concerned, we plan to remain Quebecers and so we will, by leaving this sleeping country.

[*English*]

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, it is my privilege and honour to be in the House today to address Bill C–57.

Just before I start my address I would like to make a couple of comments on the debate I have heard this morning. I have travelled quite a bit and I think culture is very important. I have never had the opportunity to meet a cow that speaks French or a chicken that speaks French or English. I have had different cultures fry bacon and eggs for me in the morning and I have always enjoyed them no matter with what type of vocabulary they were prepared.

I think this is something that sometimes overshadows the problems we really have. It is always important to me that we address the real issues and make sure those things that help us to survive or give us the opportunity to live in this country are not destroyed.

As we know, this bill implements Canada's full participation in the World Trade Organization. This is the result of our signing the Uruguay round agreement on the GATT in April this year.

The Uruguay round agreement was the largest and the most complex trade negotiation ever undertaken. The final package included more than 25 separate agreements. The nations that signed this agreement have made commitments to eliminate tariffs and other barriers to trade.

From Canada's standpoint this makes it necessary to amend at least 31 different statutes. Each country will have to amend its subsidy and support programs and its border control measures in order to harmonize them with an overall world standard.

Reductions will occur in the volume of subsidized exports.

• (1235 )

These must be reduced by 21 per cent over a six–year period ending in the year 2001. Our country's expenditures on export subsidies must be reduced by 36 per cent over that same six–year period.

With a minimum reduction of 15 per cent for each commodity domestic support programs must also be reduced by 20 per cent over the six–year period. Regional development, research, environmental protection and farm income protection programs are exempt from this.

The system of quotas in supply management sectors will be replaced by tariffs that will be lowered an average of 36 per cent over the six years.

I must agree that supply management has very good protection under this tariffication program. I will generally limit my comments to the areas for which I am responsible as the Reform Party critic. They are the areas of agriculture, transportation and agriculture trade. These are truly areas where the nations that took part in this agreement have worked toward establishing a common set of rules to standardize their industries.

The Reform Party is very much pro free trade. We supported the free trade agreement with the United States and we support further extension of free trade in general through the NAFTA and the GATT.

With agreement on the Uruguay round I think we can look forward to more economic growth around the world. This will in turn lead to more investment and more jobs. About 50 per cent of Canadian farmers revenues are generated by exports. That means the agriculture sector will definitely benefit from increased access to foreign markets and from reductions in trade distorting subsidies in other countries which are the major reasons for low world grain prices.

The Reform Party supports several transportation reforms. The underlying principle on which we base our reforms is the belief that Canadian agriculture products should move to market by any expeditious mode, any route in any form or state of processing based exclusively on the principle of cost effectiveness and with the best interests of the consumer in mind.

This is one reason I have been a very strong supporter of the Hudson Bay Route Association in promoting the port of Churchill. When I look at the distance to Churchill and to the other ports I realize how much saving there is as far as rail line maintenance is concerned.

When I see statistics, and these are done by different investigations or task forces, that we could cut our costs of transportation by about $20 to $25 a tonne, I think it is not only cost effective but also environmentally friendly.

The other thing we have to realize is that we have a huge north in Manitoba where the native people depend on this type of transportation.

We should be striving to develop an atmosphere that provides for a viable, self–reliant market driven industry by creating an environment in which regional development is eliminated as a goal of transportation policy.

We support elimination of transportation subsidies but the funds should be redirected systematically to comprehensive safety net programs that are designed to defend Canada's food producers against matters over which they have little control.

We cannot eliminate transportation subsidies altogether without a definite long range plan to help the industry adjust accordingly. By reallocating the funds and paying them to farmers as part of a GATT–green program we can allow our economy to diversify and can give farmers the opportunity to take advantage of the market forces of the new international trading agreement.

• (1240)

One thing that was really impressive to me the other day when the former agriculture minister, Mr. Whelan, was a witness before the standing committee was how we have lost our secondary industries, our processors and are killing plants due to transportation problems and other types of subsidies.

It is of the utmost importance that we try to resolve that problem. Canada should endeavour to create a genuinely competitive transportation system. To achieve this end the deregulation of the railway system and the privatization of Canadian national rolling stock should be clearly defined goals.

I do not know what the answers are but when I looked at the speech that the transportation minister delivered the other day, seeing that the labour force is only 64 per cent as efficient on our rail lines as it is in the United States, I know that subsidies are not the only problem. When I also see the United States transports 66 per cent more freight per rail mile than we do, we also know there is another problem of moving the products in the most expeditious way.

In the area of grains, oilseeds and special crops, Canadian producers should benefit from a more stable trading environment. Greater opportunities for exports and hopefully international prices will increase over the six year transportation period. With the volumes of subsidized wheat exported from the United States and the European union expected to be reduced 40 per cent over the next six years, significant market shares should open up for Canadian farmers.

Once this agreement goes into effect, the United States will no longer be able to use section 22 against imports of Canadian wheat. I would note however that these trade agreements can mean little if the government does not have the fortitude to back them up. We have seen other GATT agreements and they have all been broken by the bigger trade partners. As Canadians that is one thing we have to be very concerned about.

We look back to the wheat pact this government not only agreed to with the U.S. but imposed on itself. We see an example of where we were within our rights under the free trade agreement but were bullied away. Article 705.5 of the Canada–U.S. free trade agreement states clearly that the cross border grain shipments can be restricted only if they increase significantly as

a result of a substantial change in either country's support programs for the grain in question. That was not the case last year.

Increases in wheat and durum to the U.S. last year were the result of an increased demand in the U.S. resulting from many factors. There was definitely no increase in Canadian support programs. This government agreed to surrender anyway. Mere days after this wheat pact occurred we saw the United States sign a wheat deal with Algeria with what had been a major Canadian market, export enhancement durum. The disturbing influence of the United States export enhancement program always allows it to distort grain markets.

If the Canadian government had not buckled under the U.S. pressure, its senators, congressmen and farmers would soon have realized how detrimental the export enhancement program really was. Canadian farmers would only have recouped a small percentage of damage done by the U.S. unfair trade practices.

Hopefully we will see it align its harmful subsidy program under the terms of this agreement. I would point out that although this was a bilateral dispute, there are provisions in the new rules for GATT that would force the United States to prove Canada was unfairly subsidizing exports.

Hopefully this provision will be helpful in avoiding the capitulation that we have seen in the past from our government. This was brought home again last week when the United States department of agriculture began to require that Canadian wheat farmers who export into the U.S. have end user certificates. This despite the fact that the wheat pact signed with the U.S. included a peace clause that stipulated that Canada would be free from further restrictions or harassment for 12 months.

• (1245)

It is just another example of how trade agreements are useless if the government seems either unable or disinterested in standing up for the rights of its citizens. A partner in a trade agreement cannot be allowed to be a bully. If this is allowed, the agreement will fall apart sooner or later.

All that Canadian farmers really want is a level playing field. They know they can compete and be the best in the world at producing, but they cannot be expected to continue to be at a disadvantage in trading situations. With a fair set of trade rules that apply equally to all countries across the board, we can achieve that level playing field.

Before these changes can take effect there will have to be major changes to the Western Grain Transportation Act. Any government policy that favours export shipments is deemed as an export subsidy by the GATT. Canada has maintained that the Western Grain Transportation Act provides internal support to farmers, but some countries, including the United States, insist that it provides export assistance.

Recent studies confirm that it will be viewed as an export subsidy by the GATT. This point emphasizes that the shortest route to an export port is the best route. Under the agreement there will be two systems governing WGTA subsidy restrictions; one will be for grain shipped through Vancouver, Prince Rupert or Churchill. This is specifically export grain that is subject to an export reduction subsidy under the GATT.

The second system is for grain shipped through Thunder Bay or Armstrong. This is deemed as grain for export or for domestic use, and therefore the transportation payments for grain movements under the WGTA can be considered either an export subsidy or domestic support, depending on which shipping route is used.

This clause seems to me to set up a recipe for a tremendous amount of conflict and disagreement. It can only be a detrimental clause in this agreement and will probably cause a lot of hard feelings, not just between producers but also between shippers in the different regions.

WGTA payments on grain that travels through the west ports are contingent on that grain being exported. The GATT was notified that these payments were export subsidies and will be subject to the reduction commitment of 36 per cent for export subsidies and also the 21 per cent reduction in the volume. WGTA payments on grain shipped through Thunder Bay have been notified to the GATT as green domestic support.

I do not know how we can resolve that issue. I think it will be challenged and history will tell us that it is improper and we will have to address it.

According to the GATT text the total Western Grain Transportation program is an amber domestic support program, while the portion related to grain movement to the west coast and Churchill is considered an export subsidy. Canada will have to make according changes to address the export subsidy provisions of the GATT.

The challenge for Canada is to make the WGTA GATT–green. The Reform Party had addressed this problem very well with a trade distortion program that we recommended for WGTA during the election campaign. It was well received. I think the government will sooner or later have to realize that this type of program is the only one that will really be fair and beneficial to western farmers.

• (1250)

Since the GATT requires a change in the WGTA subsidy payment method from paying the railways to paying directly to farmers, it is likely the only method that would comply with GATT requirements.

This is another area where the Liberal government will have to be tremendously diligent and innovative. It has to find a way to pay that subsidy out so that it does not distort the value of land, it does not distort taxation to municipalities because we could be find a number of different real problems.

As I stated, under GATT countries have agreed to reduce their export subsidies by 36 per cent. There are several questions that arise in this bill. I know that farmers in my riding will have a number of concerns.

For example, what safeguards are there for farmers that the railways will be obligated to move grain to other ports? Also, what safeguards do we have that our rail cars will not be going to the United States?

Last year was a disaster for grain transportation. One of the main factors was that the railways decided to chase business in the United States. With the longer car turnaround cycle, this took needed grain cars out of the picture and caused serious ramifications. What assurance do we have that this will not be repeated?

There are also reports that the railways do not have enough engines. I would like to know if anyone has looked especially at this problem. We have the rail cars but we do not have the engines to pull them. That does not give us a very effective transportation system.

**Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.):** Mr. Speaker, I would like to know this. You indicated earlier in your speech that grain or whatever agricultural product is being transported should be moved by whatever means to whatever destination that the market sees fit.

At the end of your speech, you are criticizing the rail companies for—

**The Acting Speaker (Mr. Kilger):** Order. I would like to interrupt for a brief moment to remind members to make all interventions through the Chair and not directly to each other across the floor of the House.

**Mr. Kirkby:** Mr. Speaker, the hon. member mentions that the market should determine by what mode of transportation grain or agricultural products should be shipped. Near the end of his speech he indicates that there is a shortage of grain cars because the companies have decided to use them to ship grain into the United States. It would suggest that he has been quite inconsistent in his approach and I would like him to explain the inconsistency.

**Mr. Hoeppner:** Mr. Speaker, I do not think I was inconsistent in my remarks. The reason why these grain cars have been diverted to the United States is that under the Western Grain Transportation Act the railways get paid on the amount of grain they move.

However if we do not have the engines to pull these cars, it does not do us very much good to try to get the amount of cars on the system that are needed. Therefore these cars that provincial governments, the federal government and the wheat board bought for the transportation system have been diverted across to the U.S. to gain income. They could not be used in Canada because of the lack of engine power.

It is financially beneficial to the railways to do that. Freight rates in the United States, the pace at which they move their cars, the time of turnaround for these cars are far superior to the Canadian system.

We exported some grain last year and the agent who was shipping that grain further down the line paid from $250 to $750 per car according to the need that he had for them. There was a tremendous amount of incentive to move cars that the railways could not use to the U.S. because of a lack of engine power and benefit financially by probably millions and millions of dollars.

• (1255)

[*Translation*]

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, I wish to thank my colleague from Verchères for his excellent job in directing the debate on Bill C–57. I want to point out at the outset that the time has finally come to deal with the important matter of GATT.

Bill C–57 allows us to question some aspects of this agreement which remain what I would call grey areas. The purpose of my comments is not to oppose this bill, but to raise questions to show the members of this House that it is essential that we have enough time to consider this bill before approving it.

Quebecers have been open and in favour of free trade for a long time. You will recall that Quebec stood alongside the U.S. among the first free trade supporters and that, without their support, Canada might have refused to sign the free trade treaty. You certainly remember that, in the 1988 election, when the free trade agreement with the U.S. was the main election plank of the Conservative Party led by Mr. Mulroney, the former Tory leader found his staunchest allies in Quebec.

Despite the misadventures encountered by the Conservative Party during its first mandate, Quebecers gave their overwhelming support to the Progressive Conservative Party precisely because it advocated tree trade with the U.S. Quebec showed consistency by greatly facilitating the signing of NAFTA, and it now favours extending this agreement to other countries in Latin America.

It is not hard to see the logic behind this attitude. It is crucial for Quebec's small and medium–sized businesses to secure access to larger markets. Like all Quebecers, I am prejudiced in favour of free trade and therefore in favour of Bill C–57 before us today. What I would like, however, is enough time to look at it carefully, and the Liberal government's railroading of such an important bill is unacceptable.

When several major powers with sometimes conflicting interests sit around the negotiating table, we realize how difficult it is to please everyone. In the current economic context, it is essential to agree on how to develop free trade mechanisms. That is why this agreement can, if it is used properly, provide a basis for future trade negotiations.

• (1300)

The potential increase of $755 billion in international trade between now and the year 2005 is the most convincing guarantee of the positive impact of that agreement. The Final Act of the Uruguay Round signed on April 15, in Marrakesh, meets some of the expectations of Quebec and Canada. However, as regards agricultural issues, that agreement is far from making Quebec producers happy.

The structure of GATT has always differed from that of most major UN agencies. Even though Canada was among the 23 original members, it is now at the same level as the other 107 member countries. It is at the mercy of talks dominated by three major players: The United States, Japan and the European Community.

Like all the other members, Canada is somewhat subjected to the priorities and decisions of these giants, particularly the United States and the European Community. Yet, when a sector as important for Quebec and Canada as agriculture is targeted, the federal government must react and stand up for our producers.

Canada did very poorly when it came to protecting the interests of agricultural producers, regarding article XI, because it was trying to do two different things. Article XI essentially allowed Ontario and Quebec dairy producers to benefit from their supply management system. That initiative was obviously extremely important to them. In the east, producers wanted to keep their supply management programs, while in the west, they wanted new markets for their grain. Given its political situation, Canada tried to please both groups at the international level. In the end, it lost some of its credibility and more. The government found itself caught between a rock and a hard place.

As regards article XI, the government could not let down Quebec producers in the current political context. On the other hand, grain exports have very significant economic spin–offs. When you negotiate, you have to make concessions in order to make gains on those issues which are important to you. However, in order to do that, you must first define your priorities.

This example of double–edged sword is clear evidence that we have to put our house in order. The problem is a major one. How can only one voice protect the diverging interests of western and eastern producers?

The fight on Article XI also undermined Canada's credibility with its own agricultural producers. Indeed, the government tried to be reassuring by explaining that, in the short term, higher tariffs would provide producers subjected to quotas the same protection as under article XI. However, the government was silent on the medium term and the long term.

Even though the tariffs proposed by Canada to GATT were not opposed, there is no guarantee that we will not find ourselves in a perpetual trade dispute once they are implemented.

• (1305)

However, during the bilateral talks on durum wheat, Canada made concessions in order to avoid prolonging the dispute by going before a panel.

What will Canada do when the Americans revive the debate on quota production and tariffs on yogurt and ice cream, for instance? Who will decide whether GATT or NAFTA takes precedence? These issues are still unclear.

We need assurances that the government is prepared to answer some very specific questions. You may recall, Mr. Speaker, that during the last election campaign, in the fall of 1993, the Prime Minister, the leader of the Liberal Party, was travelling across Canada and saying: "I will not sign NAFTA unless everything is reviewed from A to Z. And I will negotiate". A few weeks after he was sworn in, the Prime Minister went on a short trip to the United States, came back and quickly signed NAFTA.

Just another instance of the past being no guarantee of the future.

What will Canada do when the Americans revive the debate on yogurt and ice cream, for instance? Who will decide whether GATT or NAFTA takes precedence?

We need assurances that the government is prepared to answer some very specific questions. We must go to committee to assess the impact of this bill. We must also keep abreast of steps being taken by our principal trading partners to conform to GATT. The Canadian government should be able to tell us, for instance, whether it and the American government agree on the definition of dumping.

Although we realize that our agricultural policies must conform to our international trade agreements, the government must not take advantage of our obligation to conform to GATT to justify certain measures to reduce the deficit. In many cases, Canada has already reduced its domestic subsidies by more than 20 per cent, which means that for this round of talks, it has met its commitments for subsidy reduction.

If we look at the amendments to the WGTA to harmonize it with GATT requirements, a number of issues are still outstanding. We still do not know whether the Crow benefit will be transferred to producers or how that will be done. This matter should be dealt with immediately. The Minister of Transport, who has been responsible for the Crow so far, announced last

spring that he would not renew the subsidy. His colleague, the Minister of Agriculture and Agri–Food, was quick to announce that his department would be responsible for the subsidy and would, we may assume, make it more effective by making certain changes.

Since that time, the minister has asked the Producer Payment Panel to examine the question. This review led to recommendations about which the minister has not said a word yet. About the Crow's Nest Pass Rates, he told the magazine *Le Coopérateur* last June: "Although this problem has been around for many years, we must, for various reasons, tackle it without delay. Not the least of these reasons is the GATT Agreement".

• (1310)

We, however, still do not know anything about the minister's intentions. It must also be pointed out that Quebec and Canada will benefit from stronger trade regulations. In the last 15 years, several member states, in particular our American neighbour and the European Community, made excessive use of protectionist measures. Clarifying the GATT regulations on the definition of the types of subsidies that are allowed, compensatory or prohibited and the use of countervailing and anti–dumping duties largely favours an international system based on relationships dictated by law rather than force. For smaller states like Quebec and Canada, this strengthening of trade regulations is a safeguard against giants like the United States.

There may be many advantages to an agreement such as the one we are discussing this afternoon. In any case, there is no doubt that, given the internationalization of markets, we must take our place on the international scene and take advantage of trade treaties. Agriculture is only one component of the agreement but its place in Quebec's and Canada's economy does not allow us to minimize the impact of measures affecting this sector. Losing Article XI will require us to restructure our agricultural sector. However, only the future will tell us whether these adjustments were worthwhile. I still think that the grey areas or outstanding problems justify our asking that some aspects of Bill C–57 be clarified in committee.

Furthermore, I find it hard to understand why it is so urgent to conclude this debate when the two giants, the U.S. and Europe, are taking their time. The Americans are moving slowly since some members of Congress are in the middle of an election campaign and this type of agreement is not very popular with voters. Europeans, for their part, have turned this into a power struggle between the European Commission and the Council of Ministers. If this bill is really acceptable, why is it so urgent?

Mr. Speaker, thank you for your attention, and I must again in closing point out that my colleague from Verchères is doing an admirable job of dealing with this matter, for which he is responsible, in order to defend Quebec's major interests.

• (1315)

[*English*]

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I have listened with considerable interest as the debate has unfolded today. The Bloc speakers have been virtually unanimous in their support of supply management.

Those who are consumers have an opinion of supply management that is somewhat different from the opinion of those who are producers. It depends whether they are getting paid or are paying for the product under supply management. Supply management in any other industry would be considered price fixing.

Could the member comment on his perception in Quebec, leaving aside the relationship between Quebec and the rest of the country? Is it his opinion that supply management is a net benefit and, if it is not a net benefit, given that consumers are paying a premium for dairy products and poultry products their costs of living are greatly increased?

[*Translation*]

**Mr. Chrétien (Frontenac):** Mr. Speaker, I wish to thank my distinguished colleague from the Reform Party for his very pertinent question. Nevertheless, as you know, three agricultural sectors in Quebec are covered by supply management: poultry, eggs and milk. Supply management in these three fields is so well structured that every month delegations from the UPA, the Quebec farmers' union, receive invitations from other countries that want to know how we could have set up such an effective supply management system.

Mr. Speaker, do you know that without this supply management system in Quebec and in Ontario, no farmer could make a living from producing poultry, eggs or milk? Why? Because we would have been invaded by the Americans. Last week, the president of the UPA told me that he visited a farm in the United States that raises 100,000 steers a year. A hundred thousand!

He told me that Quebec does not produce 100,000 steers a year. Down there, a single huge farm produces more than Quebec does. But once agriculture in Quebec and Ontario is killed off, prices would not be set by government bodies in Quebec or Ontario but by American farmers. The independence of a country is at stake.

When a country cannot feed its people, it is weak. If we want a strong country, this strength must be based on an agricultural system that is competent, productive and also versatile. Thanks to supply management, farmers enjoyed some security and could invest and acquire farms and make them profitable. As for milk production, because I am more familiar with this field, I could tell my distinguished colleague that some farmers have been bled white. They have mortgaged their farm to buy the right to produce—they have bought quotas.

This past weekend, I met one of these farmers, who estimates that his quota is worth $750,000. Three quarters of a million dollars and he is afraid that when the tariff system is well in place, quotas will lose their value. Quotas could eventually disappear.

• (1320)

I have been asking the same question to Agriculture Canada officials week after week. I even asked the agriculture committee and I was told: "Time will tell. One thing is sure: no problem is to be expected for the first six years". But what about the seventh year or the tenth? When a farm producer has borrowed huge amounts to buy this piece of paper allowing him or her to have 25 or 30 more cows but is told: "Look, ten years from now, your $750,000 quota may not be worth a penny", is that reassuring? Would you find it encouraging, Mr. Speaker, if you were told: "Your pension plan that you have accumulated here, at the House of Commons, will not be worth a penny, six or seven years down the road"? This is hypothetical. It may be worth something, but then again it may not. You would be concerned, I am sure you would.

Farm producers need reassurance. When you see a farmer with a production quota worth $1.5 million or $2 million and they come and tell him: "We expect no problem for the first six years. Later on, we will have to see", take my word for it, supply management becomes awfully important.

On predatory pricing, I cannot say that I share the views of my colleague from the Reform Party, which reflect a lack of knowledge of the situation in Quebec. To get a one cent per litre increase, milk producers have to go before a Quebec government agency called dairy commission where consumer associations, the farm producers association and the Dairies' Association are represented, and negotiate. "Our production costs are such and such, and there has been no increase in the past six months to a year". Consumers say that milk already costs too much and that its price should be reduced, not increased. Farmers want a five–cent increase. And then you have UPA representatives trying to come up with a compromise. Finally, farmers ask for a five–cent increase and often get only a one–cent increase.

So, if you come to Quebec or to Ontario, you will realize that farmers do not work 40 hours a week and then rest. They usually work seven days a week, 365 days a year, along with all their family, and still cannot afford to spend three weeks or a whole month in Florida or in Europe. They have to stay on their farm to operate it.

I would now like to give my view of the outlook for supply management. Of course, I would like the government to stand up and tell us what will happen to supply management six or seven years down the road. Farmers have the right to know. In fact, they represent the class of workers in Quebec for whom we should have the most respect. According to statistics for all of Canada, the people who work on farms are those who work the highest number of hours in Canada.

On average, Quebec farmers work more hours than other Canadian farmers, precisely because we have a more diversified agriculture.

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, I would like to make a brief comment.

I am a bit overwhelmed by the very eloquent speech that we just heard from the hon. member for Frontenac. My colleague focused on what was, I think, the main problem for Canada in the Uruguay Round, namely the double talk used by the federal government in trying to protect the interests of producers in Canada and Quebec, those of grain producers from the western provinces on one hand and those of poultry and dairy farmers and other producers on the other hand.

• (1325)

It must be said that this double talk, this double standard still exists today. The problem is still there and it became obvious when we asked the government very recently, as my colleague was saying, which rules would have precedence, the NAFTA rules or the GATT rules, with regard to tariffs on dairy products, poultry, etc.

The problem that exists right now is related to the fear of seeing that western grain production will be played off against Quebec's egg, milk and poultry production in future negotiations with the United States. At the present time, the United States imposes limits on Canadian grain imports and the Canadian government could very well be tempted to reduce the tariffs that will be imposed on Quebec's agricultural products in the place of quotas in order to obtain greater access to the American market.

The Canadian government could be tempted to reduce its tariffs in order to open the American market to Canadian grain. The danger is there and the double talk to which the hon. member for Frontenac was referring still exists. It is important to note that we are well aware of the problem and that we will watch the government very closely on this issue.

**Mr. Chrétien (Frontenac):** Mr. Speaker, my colleague, the hon. member for Verchères, is absolutely right. This reminded me of what my Reform Party colleague said earlier about high prices.

I went shopping with my wife on Friday evening and I saw Prince Edward Island potatoes at a price which was exceptionally high for the season. Three years ago, there was an oversupply of potatoes in New Brunswick. The Canadian and New Brunswick governments of the time bought the potatoes to bury them in an open dump. On the CBC news, they showed us hundreds and hundreds of thousands of tons of potatoes being bulldozed

into a hole while we could have fed the starving people of the world with those vegetables.

To support the price of potatoes, our two governments had bought the farmers' production. They deliberately kept the potatoes from being marketed precisely to create scarcity. Sometimes we talk about environmental protection. Well it is certainly not very clever to bury potatoes, and not even make compost, when you think there are millions of people, tens of millions of people who cannot even eat a meal a day. And here, in New Brunswick, three years ago, we buried hundreds and hundreds of thousands of tons of potatoes.

When we talked about supply management, do you not think that a supply management system for potatoes would have been much better? Of course in Quebec, we could produce 25 per cent more milk if we wanted to. But why produce 25 per cent more milk if you cannot sell it?

[*English*]

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, it is a pleasure to speak in the debate.

I always enjoy the interventions of my hon. colleague from Frontenac. I should point out to him that I believe the potatoes to which he was referring that were buried in Prince Edward Island were not buried to support a price. They were seed potatoes and there was a problem. There was a potential for disease and in order to protect the integrity of Prince Edward Island seed potatoes, which is among the highest in the world, it was determined that it would be best to do away with the potatoes. It was not a question of price fixing.

• (1330)

I also thought this might be the crowning glory and achievement of the Bloc. We have heard a lot of statements from the Bloc in this House from time to time, some statements more or less preposterous than others. I have to tell you when the hon. member for Frontenac said that we have to protect supply management because the farmers in Quebec worked harder than any other farmers, I mean that was it. How does he know? I really do believe that farmers as people and business persons in our country do work very long hours, but don't we all? I really do not think the farmers in Quebec work any harder than the farmers anywhere else in the country.

**An hon. member:** How can you know?

**Mr. McClelland:** Obviously I cannot know. I just do not think that is one contest we need to get into. This debate has been most enlightening today because we have an interesting separation.

We are talking about whether or not Canada should sign into the World Trade Organization. The actual title of this bill is the World Trade Organization Agreement Implementation Act. It is at the second reading stage. We support this bill.

There is a truism about being competitive: If you do not compete, you cannot be competitive. Therefore we have to have within our psyche the desire to compete and to be competitive. That is the dichotomy which has come in this debate thus far today. There are members of the Bloc who are by and large supportive of the notion of free trade and expanded trade, but with a severe reservation because of its impact on supply management.

It is fair to say that as a result of the implementation of the GATT agreement supply management will have seen the last of its days in Canada. Let there be no mistake: Supply management is price fixing. If it was supply management of photo finishing, it would be called price fixing. If it was supply management of shoe manufacturing, it would be called price fixing.

Supply management creates a situation whereby a limited number of producers have access to the market exclusive of anyone else. They are thereby provided a guaranteed return on their investment. What happens of course as a result of that is that everybody else who makes a living based on that investment also has a guaranteed return on their investment, the feed suppliers, the implement suppliers, everyone down the line. You know who gets it in the neck? Mr. and Mrs. Joe Consumer in the land.

If we want a situation where we are going to have industries which are non–competitive, where we are going to have winners and losers in society picked not by the marketplace but by the government, then supply management is a textbook illustration on how to do it. Therefore, one of the main beneficial and most important things that will come as a result of signing this agreement will be the ordered timely end of supply management.

This whole exercise as many people know started in 1944. It was called the Bretton Woods agreement. It was determined that at the conclusion of the second world war it might not be a bad idea if the nations of the world figured out some sort of an arrangement whereby they could learn to trade with each other under certain rules and conditions that might help to prevent future wars. That was essentially the reason behind the United Nations and the Bretton Woods agreement.

Three major decisions were reached at Bretton Woods in 1944. They were the International Monetary Fund, the International Bank for Reconstruction and Development, and the International Trade Organization.

The International Trade Organization did not really get off the ground but the successor, which is the GATT, did. To most people GATT is an obscure term. It stands for General Agreement on Tariffs and Trade. It really has a tremendous impact on the lives of all Canadians daily. It is not just an obscure international agreement that we are signing. It is an agreement that will fundamentally change the way we function as a nation.

As Canada goes forward into the next century it is perhaps a very timely agreement for us to be signing.

• (1335)

We should compare our nation today with our nation when we got involved in the free trade agreement. Going back to the time when we got into free trade with the United States it was a major leap of faith for most Canadians. It said we were going to start to break down the trade barriers within Canada and start competing on our own as a nation within the world.

First we had to compete with the United States. Then we went to the North American free trade agreement in which we decided we were going to compete with the United States and Mexico. Now we are going one step further with the GATT which means we will be competing sooner or later with everyone in the world.

What does that mean to us here in Canada? How does it affect us when we are trying to get by, trying to get a job, trying just to pay our rent? This is it. If we are not the very best that we can be, if we do not as a nation and as individuals strive for excellence, we are going to be buried in the world. We can no longer hide behind tariff barriers.

The tariff barriers in Canada existed for years and years. They created artificial subsidies. The unnatural but natural conclusion were things like the back–in agreements or the backflow where empty grain cars go to Thunder Bay and then come back so that the railways can get a subsidy, so they can get more money for some God forsaken government program. We have the situation where grain grown in western Canada is subsidized to be shipped east. It goes into a feedlot in central Canada so that we can sell beef raised in central Canada on western grain rather than having the beef fattened on western grain in western Canada and then sending dressed beef to the markets, a natural advantage.

All of these distortions that are built into our trade agreements within our own country serve one purpose only: to make us less competitive on the world stage. That is why it is so important that we as Canadians in the present supply managed sectors and all other sectors understand the absolute necessity of becoming competitive as world traders.

A quarter of our nation's wealth is derived from international trade. Eighty per cent of our international trade is with the United States. Twenty–five per cent of that trade is internal trade within branch plants.

In last Saturday's *Globe and Mail* there was a business report from the Royal Bank. I will just show it very briefly for those in television land—

**The Acting Speaker (Mr. Kilger):** Order. With all due respect to all those people in television land, within the confines of this wonderful Chamber we do not use "props". We will listen attentively to the wisdom of the hon. member for Edmonton Southwest.

**Mr. McClelland:** Mr. Speaker, I thought I might be able to sneak that in because I wanted to give credit where credit was due. Less attentive Speakers have allowed me that privilege, but I can see you are on your toes today.

In any event distributed with the *Globe and Mail* last Saturday was a report by the Royal Bank.

• (1340)

This might be a good time to put in a plug for the industry committee of the House of Commons which has put together a report on small business. I think most members of Parliament have been inundated with innovative initiatives by all of the banks to try to foster small business.

In any event the Royal Bank publication points out some of the benefits and some of the realities of the trade situation we find ourselves in. The reason I would like to quote some of these statistics is that the signing of the GATT and our commitment to become international traders will inevitably lead to the fact that we had better pay a lot more attention to the next generation of Canadians so that they can compete on a world stage. The next generation of Canadians will compete because of their knowledge based resources.

We in Canada have been very fortunate. We have been blessed for many years. We were able to live a standard of living far beyond our means because we exploited Canada's natural resources. By and large we were the suppliers to the world of natural resources at a relatively low price, but it brought a tremendous amount of wealth into Canada. We were then able to transfer that wealth into the social programs we have all grown very accustomed to and that we really like. The problem is that we are no longer such an exporting nation. We do not have the resources to export and we have not replaced them with anything else.

Let me give an example. One–quarter of our national wealth is derived from international trade. One–third of our jobs depend on international trade. Nine thousand new jobs result from every billion dollars of additional exports. Nearly half of Canada's manufacturing output is exported. Exports generate more than $5,000 for every Canadian every year. That is really kind of nice.

This is what we are exporting and this is where the problem is: passenger cars, $24.1 billion; trucks, $10.5 billion; motor vehicle parts, excluding engines, $9.6 billion; softwood lumber, $9.2 billion; and crude petroleum, $6.9 billion. Where do you see anything there other than the automobile industry that we have any value added?

In Alberta we have spent zillions of dollars building one of the neatest pulp mills you have ever seen. It is one of the least polluting mills ever made. The problem is that we cut our trees down and we get something like 25 cents value for every tree that goes into that pulp mill. We turn that pulp into a finished product, bleached so that we get the environmental problems down the road, and we send that to Japan and buy it back as finished paper, as fine paper.

I learned earlier today from my hon. colleague from Lisgar—Marquette that Canada used to export a tremendous amount of milled flour to Japan. We do not any more. We export wheat to Japan. The Japanese mill it and then they sell it around the world. How is it we can get ourselves into a situation where we still end up being the purveyors of raw materials? We have to get the tertiary secondary manufacturing or we cannot allow our raw materials to be exploited any more in the same manner which was just fine for 30 or 40 years. Things have changed and we just cannot do that any more.

I mentioned a few minutes earlier about some of our primary exports. Our primary imports are motor vehicle parts excluding engines, $18 billion; passenger cars, $11.9 billion; electronic computers, $9 billion; crude petroleum, $4.6 billion; electronic tubes and semi–conductors, that sort of thing; $4.5 billion.

• (1345)

Therefore, basically through the auto pact, when we start talking about how great an exporter we are, we are great exporters if we are talking about the auto pact where we export and import and we are great exporters when we start talking about wheat or petroleum.

However, we are not great exporters when we are talking about anything that has value added. This is where we as a nation have a real problem, especially coming into the next generation.

I had a letter from a constituent the other day saying the difference between a politician and a statesman is that a politician thinks about the next election, a statesman thinks about the next generation.

Perhaps we in this Parliament have to start thinking as statesmen, not about the next election but about the next generation. We have a serious problem here. How do we go about competing on a world stage?

Think about internal trade barriers that exist now within Canada. We do not have the ability or the resolve as Canadians to get rid of these trade barriers within Canada that exist today. When we were negotiating the North American free trade agreement with the United States and Mexico there were three players around the table: Canada, the United States and Mexico.

When we were trying to break down the trade barriers within Canada, how many players were around the table—all the provinces and the federal government.

If we as Canadians are prepared to take the bull by the horns and break down these trade barriers we may have to go into a situation and say: "We are the federal government. We represent Canadians. We do not represent Albertans. We do not represent people from Ontario or Quebec. We represent the national interest. These trade barriers are killing us. They are killing our ability to compete internationally. It is time to get them out of here. You guys have exactly one year to get rid of your trade barriers. If you have not done it and negotiated an end to them within a year, kiss them goodbye because they are gone. They are out of there".

If we do not have the kind of resolve that will do it, how can we compete internationally if we cannot compete within our own country, within our own borders? It is essential that before we take on the world as these trade barriers come down, as the tariffication takes effect and the tariff barriers start to come down, we ensure that we are competitive within our own country.

It means that we have to first of all eliminate the interprovincial trade barriers. It means we have to ensure that our taxes are as low as any tax regime in the world. How do we go about doing that? We make sure that they are fair and that we do not use tax incentives that distort the marketplace.

It means that we do not use the tax money paid by someone earning $10 or $12 or $8 an hour, barely getting by, take it into government and then regurgitate it, give it to somebody else to go into business with the person who paid the taxes in competition with the person who paid the taxes in the first place.

It means that we have to lower the cost of being a Canadian. We have to be competitive in the world and it means that we have to make some very strategic investment decisions in the future. It means that we have to ensure that we are not only the sources of ideas, we have to be the innovators and the implementors.

We cannot just have a brainwave, invent something and have that innovative idea brought to the market by Americans or by the Japanese or the Germans.

• (1350)

It is going to be a new relationship between the innovators, the entrepreneurs, government, education and business. It is a whole new attitude so that we in our nation will honour, revere and bring to some degree of respect innovators and entrepreneurs who would at least be on the same level as a hockey player.

It is important. Think about it. Someone in our country who is a great business person, a great entrepreneur, a great innovator, a scientist—who do we know? Are they our heroes? No, they certainly are not. Somebody who can put 50 goals into a net or play baseball at all is a hero. It is a quantum change in the whole way we think about ourselves and what is worthwhile in our nation.

We know that our new economy is not going to work if we try to replicate what we did in the past. Going into the new economy we can do so with confidence because we can compete on a world scale. We can only do it if we strive for excellence in everything we do.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, as always I enjoy listening to the member when he speaks on the economy.

I would like to focus on a very specific remark that the member made in his speech. The member said that we must make strategic investments in ideas. Many years ago we as a government made a strategic investment in the automobile industry in this country.

We used taxpayers dollars to create a sector of the economy that is recognized today to be one of the best in the world. We can do joint ventures with Mercedes Benz, with the Japanese, et cetera. We did make a strategic investment with taxpayers dollars and the member acknowledged that strategic investment in his remarks.

My question to the member is in what sectors of the economy is he proposing that we make such strategic investments today?

**Mr. McClelland:** Mr. Speaker, the strategic investment that the hon. member for Broadview—Greenwood refers to is the auto pact. The auto pact came into being because we in Canada were importing all of our automobiles from the United States. We thought it would not be a bad idea that since we drive these cars here we should make a few.

We ended up getting involved in the auto pact. The auto pact almost died, as the hon. member would know. It was not easy for the agreement to reach fruition. During those years—35 years ago the auto pact came into being—that was in my opinion a very worthwhile strategic investment.

What kinds of strategic investments should we be making today? In my opinion it should be through our universities, through research and development, in colleges. We are doing reviews of all sorts of things.

The National Research Council has a budget of something in the region of $450 million a year. Imagine if the National Research Council's budget of $450 million a year were somehow worked into universities so that instead of getting $450 million worth of value from that investment, we could get $1 billion worth of value from that investment and we would also have a direct rubber meets the road responsibility. Here are people actually doing things, innovating, transferring that technology and applying it.

Another area in which we should be looking at strategic investments is the electronic highway. Years ago we had a situation in which communication in Canada was via rivers, then it was via railroad, then by air. We strategically put airports all over the place that we are desperately trying to get rid of now. At the time we needed them for communication.

• (1355)

Our future will be based upon our ability to innovate and use the collective brain power of all of our citizens, those working at home in their study, businesses and universities. There are people hacking away at their computers right now somewhere in Canada who could have the secret that we absolutely must have to make something else work. Somehow we need to connect all of this brain power. That is the kind of innovation and strategic value of government led initiative that in my view would be worthwhile.

[*Translation*]

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, the hon. member talked a lot about efficiency, productivity and strategic investments. He did not have much to say about the tremendous amounts spent by the federal government on manpower training. As you know, the federal government probably wastes one or two billion dollars annually on poorly–organized manpower training. When we realize that the provinces are responsible for training, the federal government's involvement in this field means that a lot of money is being wasted.

I believe that if we keep going in this direction, there is a real danger that we will be unable to compete with the rest of the world. I am all in favour of free trade and globalization but, to deal with that, our people must be properly trained. He did not have much to say about that, and I would appreciate his comments on manpower training, federal involvement in this field, the attendant inefficiencies and the adverse impact of those inefficiencies on the potential of our economy.

[*English*]

**Mr. McClelland:** Mr. Speaker, I want to thank the hon. member for the opportunity to say a few words about manpower training and, in a more general sense, overlap and duplication, the favourite mantra of the Bloc Quebecois.

Irrespective of whether the Bloc is successful in its quest to take Quebec out of Canada, and I hope sincerely that it is not successful, we should be devolving responsibility as close as possible to the people who are going to be the consumers of that responsibility.

If a job can be done by the federal government but could be done better by a municipal government, then the municipal government should do it.

**The Speaker:** It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

*S. O. 31*

# STATEMENTS BY MEMBERS

[*English*]

## EQUALITY

**Ms. Maria Minna (Beaches—Woodbine, Lib.):** Mr. Speaker, 65 years ago Canadian women won the right to be legally recognized as persons.

On Monday of this week, five Canadian women were honoured with the Governor General's Award in recognition of their outstanding contribution toward the promotion of women's equality.

I want to congratulate and thank Shirley Carr, Dr. Rose Charlie, Alice Girard, Morag O'Brien and Dodi Robb for their dedication and determination.

While women in Canada have made significant advances since 1929 they still have a long way to go. We need only look at the representation in this Chamber to see the distance they still have to go.

I would encourage all members of this House and all Canadians to continue to work for the advancement of Canadian women in every sphere of life and in pursuit of the goal of equality.

* * *

[*Translation*]

## FERRIES

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, for more than 18 months, Ottawa has been trying to make up its mind about replacing the old *Lucy Maud Montgomery*, the ferry link between the Magdalen Islands and Prince Edward Island. Since the beginning of this Parliament, the Bloc Quebecois has urged the Minister of Transport to decide what should be done, but the minister still cannot make up his mind and is trying to shirk his responsibilities. However, interprovincial ferry services are a federal responsibility and the Magdalen Islands transportation co-op cannot go ahead without federal financing.

Not long ago, the Minister of Transport received letters from Quebec MNAs on the subject. Mr. Farrah, MNA for the Magdalen Islands, and Mr. Paillé, the Quebec Minister of Industry, agreed to ask the minister to act without delay.

Now that the minister knows it is up to him to make the decision, what is he waiting for?

[*English*]

## VIOLENT OFFENDERS

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, while Reform with the support of grassroot Canadians is asking for more protection from violent, ruthless offenders proven in a court of law to be a threat to society, the Liberal government states that any bill seeking to keep sexual predators behind bars will not pass a constitutional challenge. The Liberal government is saying that it does not have the will or the courage to introduce legislation to protect our innocent children.

A learned lawyer stated that if the government contacted constitutional lawyers instead of bureaucratic bosses, whose only interest is keeping their departments running smoothly and not for the best interest of Canadians, legislation could indeed be drafted that would pass the challenge.

When is the Liberal government going to get some gumption, some concern for protecting grassroot Canadians and stop its do nothing, say nothing leadership? Using provincial health laws to keep offenders in jail is even a more stupid idea.

Learn the Constitution. Write the legislation. Do something for a change. Grassroot Canadians want what the government seems unwilling to give them: a safe and secure Canada.

* * *

## THE POPPY

**Mr. Ivan Grose (Oshawa, Lib.):** Mr. Speaker, at this time of year when most of us are wearing the symbol of supreme sacrifice, the poppy, a question nevertheless is sometimes asked: Did the young Canadians who made this sacrifice die in vain?

Yesterday in a citizenship court in Oshawa this question was answered eloquently by 54 people of 17 different countries. These people had decided that the country bequeathed to us by the total sacrifice of too many young Canadians was, to use the words often quoted by a prominent member of the House, "the best country in the world".

I say to those who may oppose this comment that the evidence suggests they are mistaken. Being a long time gambler I will go with the odds. Fifty-four people from seventeen cultures say they are wrong. Come join with us and make it 18 different cultures working to enhance that which was so dearly bought.

I would also like to point out to all hon. members wearing a poppy that as a symbol of the supreme sacrifice it should be worn above all other symbols and decorations including the parliamentary pin.

* * *

## JOHN C. POLANYI

**Mr. Bill Graham (Rosedale, Lib.):** Mr. Speaker, on November 3 and November 4, 12 Nobel laureates from around the

world, four of whom are Canadian, will gather at the University of Toronto to inaugurate the John. C. Polanyi chair in chemistry. The celebration will be accompanied by a series of free public lectures entitled the "Science in Society Lectures" to be given by the laureates at the University of Toronto.

I mention this event not only because it honours a great Canadian, a wonderful professor at the University of Toronto and, if I may say, a resident of my riding of Rosedale, but also because it is a reminder of the important place which scientific research occupies in our modern Canadian society. It is a reminder of the role of our universities in ensuring that basic research continues to advance the interest of science and thus of all Canadians.

We all owe a great deal to the countless number of dedicated researchers throughout Canada of whom John Polanyi is one remarkable example. If Canada is to continue as one of the world's leading technological countries, we must support these men and women and the universities at which they work and teach.

* * *

## SOCIAL WORK

**Mr. Tony Ianno (Trinity—Spadina, Lib.):** Mr. Speaker, last week graduates from Canada and around the world met at Toronto to celebrate the 80th anniversary of the faculty of social work at the University of Toronto.

Social workers play a pivotal role in Canadian communities through the promotion of social justice and equity for all groups in society irrespective of class, gender or cultural heritage, and especially for the disadvantaged during financially tough times.

As the oldest faculty of social work in Canada and the third oldest of its kind in North America, the faculty has left a proud legacy of achievements. Research advances in child welfare, family care giving for Alzheimers disease victims and family mediation are only some of the areas in which the faculty has contributed to the betterment of Canadian society.

I would therefore like to take this opportunity to recognize the great work done by social workers and to congratulate the faculty of social work of the University of Toronto as it celebrates its 80th anniversary.

* * *

• (1405)

[*Translation*]

## ELECTRONIC HIGHWAY

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, adding insult to injury, yesterday the Minister of Canadian Heritage indicated that he was prepared to consider letting Quebec play a role with respect to the electronic highway, a role as important, said the minister, as that of cable companies or municipalities.

In so doing, the minister showed how indifferent he is to Quebec's cultural identity. It should be obvious that the electronic highway would have a decisive impact on Quebec society. It should be obvious that its cultural and educational content is the exclusive jurisdiction of the government of Quebec.

And incidentally, how does the minister account for the lack of representatives from Quebec's cultural community on the advisory council on the electronic highway?

The minister's incompetence and his lack of sensitivity to these issues are another good reason to demand his resignation.

* * *

[*English*]

## ESPRIT DE CORPS

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Mr. Speaker, in addition to questions about the integrity of this government regarding the Minister of Canadian Heritage, I must raise the issue of integrity within the defence department.

It has now become clear that defence, along with Industry and Science Canada, is actively attempting to undermine and close down the operation of a small military magazine, *Esprit de corps*, which had the audacity to criticize defence department procedures and officials.

By threatening to refuse contracts to companies like Mercedes Benz and General Motors that advertise in the publication, the government is attempting to remove the base upon which the magazine operates. These are the tactics of a police state, not a developed democracy. In Canada, citizens have a right to criticize the government if they disagree with its policies or practices.

I do not agree with everything *Esprit de corps* says or how it is said, but I passionately defend its right to say it and I am appalled that senior government officials think otherwise.

The minister of defence has been repeatedly advised but refuses to act on problems within his department. He has no excuse for inaction here.

* * *

## IMMIGRATION

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Mr. Speaker, the plan released today by the Minister of Citizenship and Immigration is the result of a comprehensive consultative process and is the first government consultation to come to fruition.

After talking to a cross–section of Canadians over an eight–month period, the minister has tabled a strategy which reflects the needs and desires of our countrymen. The changes introduced will ensure an increased emphasis on immigrants

with skills and investment potential while continuing to make family reunification a priority.

This plan generated by the people of Canada reflects compassion, humanitarianism and tolerance, time honoured values of the Liberal Party.

I tip my hat to the minister and to the people of Canada for a well balanced and comprehensive citizenship and immigration program that shall meet the needs of Canadians for years to come.

* * *

## TOURISM

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, our eastern Ontario caucus was informed that the only increase in tourism in our region during the recent recession was the result of overflow tourists from Quebec. These were visitors brought to Canada by Quebec government advertising.

I believe the federal government through the new tourism commission should work with the private sector to promote Canada by promoting Canadian heritage. In eastern Ontario, for example, the Trent, Severn and Rideau waterways are part of our national heritage. They are a great attraction to tourists from other provinces and countries.

Promotion of major features of Canadian heritage will attract tourists to Canada from around the world and will encourage Canadians to travel in Canada. At the same time promotion of Canadian heritage will strengthen our sense of national identity.

Let us encourage interest in our heritage in Canada and around the world.

* * *

[*Translation*]

## QUEBEC REFERENDUM

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Mr. Speaker, I am pleased to inform the House that the leader of the Bloc Qebecois has just sided with the Prime Minister, whom he now supports. Indeed the leader of the Bloc Quebecois said yesterday that he now wants a referendum "as soon as possible".

This new position of his is in contrast with what he was saying on September 20, when he pleaded for a referendum at a time where it would be likely to be won. Now that the official opposition and the government agree on holding a referendum as soon as possible, we hope that the leader, the self– described partner of Jacques Parizeau in the referendum saga, will be able to convince his associate to proceed forthwith. Then, as the Prime Minister was saying, we can put to rest the uncertainty that now prevails.

• (1410)

## NATIONAL DEFENCE

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, in its dissenting report tabled yesterday, the Bloc Quebecois demands that the Minister of National Defence proceed with a complete review of military spending, in particular the purchase of submarines, taking into account the new missions the armed forces will have to undertake in the years to come.

The measures proposed in the majority report of the special joint committee do not go far enough. The Minister of National Defence must come up with a realistic budget, in keeping with the catastrophic situation we are in because of the deficit. The minister must try harder to streamline operations to cut some $1.6 billion.

The government must show more courage and tackle a deficit which is eroding the future of our children.

* * *

[*English*]

## JUSTICE

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, for the third time in less than a month the excuse of extreme drunkenness has been used as a defence in a criminal court.

The Supreme Court recently made a ruling in the Daviault case and what has ensued has been devastating for all victims. On Friday in Alberta a man was acquitted of assaulting his wife following a 24–hour drinking binge in 1993. The judge ruled that the man could not be held responsible for his actions because he was so drunk he was insane.

Reform MPs have twice asked the Minister of Justice to enact legislation to plug this loophole but we still have seen nothing.

This is not the Land of Oz and the minister I hope is not Dorothy. Supposedly the justice minister is troubled by these cases, but we all know that his clicking of the heels three times will not make the issue disappear. Amending legislation must be brought in immediately if victims in the country have any chance at all for justice.

* * *

## CANADIAN WHEAT BOARD

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, the minister of agriculture has stated that the debate surrounding the future of the Canadian Wheat Board is an important one. In response he has announced a process which will include asking farmers what they think.

Consultation is important. Indeed just two years ago farmers were consulted in what was then known as transportation talks wherein a vast majority of farmers and rural residents spoke in favour of maintaining the crow benefit and strengthening the Canadian Wheat Board. Then more than 13,000 rural Saskatch-

ewan residents attended a rally in Saskatoon, the vast majority again sending the message to Ottawa that a strengthened wheat board was necessary to protect the positive future of agriculture in Canada.

The minister of agriculture and his party have in the past expressed strong support for the Canadian Wheat Board. In light of consultations that have already occurred, I urge the minister to stand firmly behind the board and its long term commitment to farmers.

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## BELL ISLAND

**Mrs. Bonnie Hickey (St. John's East, Lib.):** Mr. Speaker, I rise today to honour the 69 men who perished in the fall of 1942 near Bell Island, Newfoundland. I would also like to pay tribute to those in the community of Bell Island who have kept the memory of these men alive.

Many Canadians do not know that Bell Island was the only community in North America to come under direct enemy fire during World War II. In the fall of 1942 four ships, three from Britain and one from France, were sunk by U–boats in two separate incidents. Although 69 men died the people of Bell Island are credited with saving many lives.

Tomorrow, November 2, the Royal Canadian Legion of Bell Island will dedicate a seamen's memorial at Lance Cove Beach, close to the spot where the four ships were sunk. A special plaque to honour the people of Lance Cove is also included in the memorial.

The liberal government has introduced the Canada remembers program, and in this spirit tomorrow the community of Bell Island plans to commemorate an event that should never be forgotten.

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## CIVIL AVIATION

**Mr. Stan Keyes (Hamilton West, Lib.):** Mr. Speaker, as chairperson for the Standing Committee on Transport it is my privilege to acknowledge the 50th anniversary of the opening of the international conference convened in Chicago to plan the post–war future of international civil aviation. I would like to note that the ICAO was created to ensure the orderly development of civil aviation.

In honour of the 50th anniversary the ICAO has convened another worldwide transport conference that will be held in Montreal on November 23. There are many global developments that will influence the future evolution of commercial air transportation in the years to come. These include changing trade patterns, technological advances and the growing affluence of countries that were once less developed.

It is therefore quite timely for the nations of the world to begin reviewing the economic rules and regulations under which international air services are operated.

• (1415)

The ICAO is to be commended for the leadership it has shown by organizing this conference. I wish all the conference participants every success in their endeavours.

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## JULIETTE KANG

**Mr. John Loney (Edmonton North, Lib.):** Mr. Speaker, on behalf of my colleagues I rise to congratulate Juliette Kang of Edmonton, a brilliant young violinist, who won the gold medal, the $25,000 first prize, and first place in four individual categories at the recent International Violin Competition of Indianapolis. In fact she has captured more special prizes than anyone else in competition history.

Ms. Kang is internationally recognized as having virtuosity and great musical maturity, and the rare ability to regulate rational and emotional balance.

This morning Ms. Kang was a featured guest on CBC's "Morningside". Her exceptional talent was displayed in her performance of two pieces of music during the show. I hope the interview is replayed on "The Best of Morningside" this evening so that more listeners can hear this fabulous musician.

I would ask the House to join in recognizing and congratulating the dedication and sacrifice of Ms. Kang. Every Canadian should be proud to have such an accomplished representative in the international music world.

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# ORAL QUESTION PERIOD

[*Translation*]

## ETHICS

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, we are informed that the Minister of Canadian Heritage sent at least seven other letters directly to the CRTC, in addition to his letter supporting a licence application. The minister's error is definitely compounded by the frequency with which he interferes with the CRTC's decisions. In fact, the minister sees nothing wrong with maintaining a regular correspondence with a quasi–judicial tribunal. The minister himself said this morning that the news about seven other letters improved his credibility, which just shows how good his judgment is.

I want to ask the government how it can keep maintaining that the Minister of Canadian Heritage committed an honest mistake, knowing now it was not an isolated incident but common practice for this minister.

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Leader of the Opposition was once a minister, and he knows that as such, one has certain responsibilities. For instance, when people write to complain about the content of television programs, a minister not only has the right but also a responsibility to refer such complaints to the CRTC, which was done in the case of the seven letters. It is, after all, the minister's responsibility to make appropriate references to the CRTC.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I may recall that five ministers were caught sending letters of support and, in four cases, letters very specifically advising the CRTC of that support, which means they were directly and unduly interfering with the CRTC's decision–making process.

I want to ask the government how many more letters from the minister it will take to convince the government of the minister's lack of judgment. Does the Deputy Prime Minister share the position taken yesterday by the Minister of Immigration that a minister should not communicate directly with an agency for which he is responsible, thus directly condemning the behaviour of his colleague for Canadian Heritage vis–à–vis the CRTC?

Are we to understand that in the mind of the government, in the mind of the Deputy Prime Minister, there are two codes of ethics, one for the Minister of Immigration and one for the Minister of Canadian Heritage?

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Leader of the Opposition was a minister.

In his capacity as a minister he was required from time to time to write to bodies that were under his authority. Not only did he have the right to contact those bodies he had the responsibility.

It seems to me that when the minister responsible for communications receives complaints from the public about the cost, for example, of cable increases he not only has the right to refer those letters to the CRTC he has the responsibility.

The Leader of the Opposition would be the first person to complain if the minister responsible for communications refused to communicate with the body that develops those kinds of regulations. That is his responsibility. He is doing his job and he will continue to do his job under the guidelines that the Prime Minister has now established.

• (1420)

[*Translation*]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, when we hear the Prime Minister promise a stricter code of ethics for the future, what the Deputy Prime Minister just said is not reassuring. She promises that things will go on as before since there are no objections. I may remind the government that under Prime Ministers Joe Clark and Pierre Elliott Trudeau, there were specific rules prohibiting ministers from communicating directly with tribunals like the CRTC.

To show how far removed the Minister of Canadian Heritage is from the real world, I would ask the government to consider the fact that one of the letters that the minister sent to the CRTC and that were revealed this morning is dated October 13, less than two weeks after he received absolution for his first blunder, the letter of support dated March 15. Does the Deputy Prime Minister not realize that the hon. member for Laval West lacks the judgment required of a minister and that he is inept and thus incapable of performing the duties of a minister?

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I have a copy of the letter in question. I would like to table it, along with the other letters that have been referred to, because I think they make the point very clearly that the minister was only carrying out his job, his responsibilities and his function as minister.

What he was responding to was a letter from the member of Parliament for Okanagan—Similkameen—Merritt who wrote to the minister complaining on behalf of a constituent about cable television rates.

The minister in his capacity as minister for communications very appropriately referred this letter from the member for Okanagan—Similkameen—Merritt to the CRTC. If he had ignored the letter or thrown it in the waste basket, which seems to be the reference of the hon. member, he would have been in breach of his duty.

We believe the minister should carry out his duties in the context of the very strict guidelines that have been established by the Prime Minister to avoid any conflict of interest.

[*Translation*]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, according to the Canadian Press, the government's ethics counsellor, Mr. Howard Wilson, had signing authority for federal contracts taken away from him in July 1992 as the result of an investigation by the Auditor General himself. This action was taken against him for having awarded contracts worth close to a million dollars without a call for tenders.

When it was decided to appoint Mr. Wilson ethics counsellor, did the government know that he had his signing authority taken away from him by the Deputy Minister of Industry in 1992?

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister and the Government of Canada have full confidence in the integrity and the ethics of the ethics counsellor.

If the member of the opposition has anything to prove otherwise, let him come forward and make a charge.

[*Translation*]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, I conclude from the Deputy Prime Minister's answer that the government knew and so did the Prime Minister. In this context, how could the Prime Minister hide this information from the opposition? Does the Deputy Prime Minister not recognize that when the Prime Minister consulted the opposition last June regarding the appointment of Mr. Wilson, he himself committed a serious breach of elementary rules of ethics by keeping this information from the opposition?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, yesterday, at noon, the Leader of the Opposition, in response to the Prime Minister's statement said, and I quote: "We never doubted the Prime Minister's integrity". He said it himself yesterday, he was even consulted on the appointment of the person in question.

The Prime Minister stated yesterday that he takes full and entire responsibility for his ministers' decisions. If the member opposite wants to attack civil servants who are not allowed to defend themselves, let him make accusations.

• (1425)

[*English*]

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the Prime Minister has said that ministers are handed a set of confidential rules of conduct by the PMO when they assume their responsibilities. This is the minimum we would expect from a government that claims to have a serious interest in integrity. The public and Parliament have a right to see such guidelines so they can judge whether they are kept or broken.

In keeping with the Prime Minister's commitment to integrity and openness in government, would the Deputy Prime Minister agree to table these original guidelines given to the ministers in November so we can compare them with any proposed new guidelines and the government's position on the activities of the Canadian heritage minister?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister has promised a full and open debate of the new guidelines. I am sure in the context of those guidelines the commissioner for ethics is going to want to bring all the facts forward.

I hope there will be a full public debate because I know the guidelines will stand the test of time. However no guideline is the measure of a person's honesty.

The Prime Minister said that he was putting his integrity on the line because the hallmark of this government was not determined by what was written down in guidelines, but rather the fact that he and his ministers carried out their jobs with honesty and integrity. Nobody is challenging the honesty or the integrity of the Prime Minister.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, they will not submit the guidelines.

Anyone who has studied the relations of ministers to quasi judicial tribunals knows there is only one guideline that ought to guide their communications. They should communicate only through statutes, orders in council and the submissions to public inquiries.

Yet yesterday the Prime Minister said the only guideline he gave ministers last November on such communications was that they should only do so through the duly authorized officials. Surely a Prime Minister who has spent 30 years in public life, some of them as justice minister, can come up with a better guideline than that.

Are the rest of the government's guidelines on ethics as weak and as poorly worded as this one? If so, what specifically is the government going to do to strengthen them?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, if you follow the rationale of the leader of the third party, basically you would tell the member for Okanagan—Similkameen—Merritt, who wrote to the minister on behalf of a constituent who was concerned about the increase in the cost of cable television, that the minister cannot pass his concerns along. The minister has a responsibility in the discharge of his duties to make sure that the cable television system is working properly.

The Prime Minister has set in place is a system where all future correspondence must go through the ethics counsellor. We think that is an interim fair measure. We are looking for a very full and open debate in the House on guidelines that will permit ministers to do their jobs and at the same time will make sure that members of Parliament get the service they deserve from ministers of the government.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, what 99 per cent of ministers in other jurisdictions do

in that case is tell the constituent to communicate directly and give the reason why. This is not exactly rocket science.

**An hon. member:** That is right.

**Mr. Manning:** Mr. Speaker, the rules of conduct for ministers and the role of the ethics counsellor are inseparably related. Yesterday in the House the Prime Minister refused to disclose the content of his office's discussions with his own ethics counsellor on the dubious activities of the Minister of Canadian Heritage. This sort of closed room, back door, ad hoc handling of an ethical issue runs contrary to his profession of interest in integrity and openness.

I ask the Deputy Prime Minister directly, what specifically was the advice that the ethics counsellor gave to the government? Did he or did he not say that the Minister of Canadian Heritage should resign?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I cannot accept the premise of the hon. member that when Jim Hart, MP for Okanagan—Similkameen—Merritt wrote to the minister—

**Some hon. members:** Oh, oh.

• (1430)

**The Speaker:** My colleagues, it would be better to refer to one another by our ridings rather than mentioning our names.

**Ms. Copps:** Mr. Speaker, the letter reads: "Dear Minister: A constituent of mine has a concern in regards to pending fee hikes at Regional Cable T.V. Inc. It would be very much appreciated if you"—the minister—"would review the enclosed letters from Mrs. Kirkland and provide explanation as to why she must pay $3 more per month in basic rates even if she does not want the additional channels".

Presumably the minister in making a reference to the CRTC was passing along the concerns rightfully expressed by a member of Parliament on behalf of his constituents. That is part of the job of being a member of Parliament. We would hope the Reform Party would not want to tie the hands of members who are trying to represent their constituents.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, when I listen to the answers of the Deputy Prime Minister, I realize that the Minister of Canadian Heritage is not the only one to confuse the duties of a member of Parliament with the role of a minister.

Can the Deputy Prime Minister tell us what credibility the Minister of Canadian Heritage still has, considering that he is not even able to understand the responsibilities he has regarding the CRTC?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister himself said in this House that mistakes were made. Is the hon. member looking for a solution or a political issue?

Last week, the Prime Minister adopted the following solution: he wrote to every minister that no correspondence can be sent directly to quasi–judicial bodies. That solution was arrived at before Mr. Wilson proposed more elaborate rules which will be debated in this House. There was a problem and mistakes were made. These mistakes were corrected and we should respect the integrity of ministers when they are carrying out their duties.

The Leader of the Opposition was a minister at one time. He knows that he had a responsibility to his constituents from Lac–Saint–Jean and also to his position as minister. We would not want his constituents to have their hands tied just because their member of Parliament happened to be in the cabinet. They want to obtain services. We want to provide good, efficient and honest services. And that is what we are trying to do.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, I am not a minister, but last Wednesday evening, when I heard about this issue, I immediately knew that the minister had to resign. That is the real solution.

**Some hon. members:** Hear, hear.

**Mrs. Tremblay:** And if it is not, then this will turn into a political issue.

What kind of credibility can a minister have when he does not understand the basic rules governing his department's operations, and how can he deal with the important issues for which he is responsible, including the financing of the CBC, the future of Telefilm Canada and the National Film Board, the electronic highway, as well as the review of the Copyright Act which we have been waiting for so long?

[*English*]

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister has made it very clear that a mistake was made and that the government has put in place a system to ensure it does not happen again. The minister himself made it very clear that as soon as he understood the CRTC was misinterpreting his original letter, he sent a second letter to rectify the issue.

The member says she is going to turn it into a political issue. If the member is really interested in a solution she will recognize the fact that as of last Friday the Prime Minister issued a directive to all members of the cabinet that any letter by any minister to any quasi–judicial body will go through Mr. Wilson.

• (1435)

In the meantime Mr. Wilson is working very hard. In fact he had a meeting with cabinet this morning to establish hard and fast guidelines for dealing with quasi–judicial bodies that will respect the work of ministers and at the same time respect the rights of constituents across this country to be rightfully represented in Parliament. I do not want the electors of Hamilton East to have their hands tied just because I happen to be in the cabinet.

**The Speaker:** My colleagues, once again I would appeal to you to make both the questions and the answers as brief as possible.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

We learned that the Minister of Canadian Heritage has written eight letters to the CRTC. Seven of these letters do recognize that he cannot interfere, yet in the eighth letter he does not qualify his interventions. The minister knew that he was not to interfere in seven cases. Why did he choose to intervene in this particular case with the quasi–judicial body for which he is responsible?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the premise of the hon. member's question in fact is refuted by a letter that she received from the person to whom she referred yesterday when she said there were allegations of undue influence.

In fact the secretary general of the CRTC has written back to the hon. member stating: "All communications related to a public process are treated in the same way regardless of originator. This includes a minister of the crown or other members of Parliament". The member will know that because she received the letter from Mr. Darling which clarified very specifically that no special treatment had been received.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question was directed to the Minister of Canadian Heritage. I believe we still do have a Minister of Canadian Heritage on the other side.

With respect to the communication between the CRTC secretary general and my office, yes indeed I did have a panic–stricken secretary general call me yesterday.

My question is focused on the Deputy Prime Minister in this instance. Yesterday in an interview the minister of immigration stated he would not send a letter to the Immigration and Refugee Board. He said it would be wrong for him to write to a quasi–judicial body that reports directly to him. I do not understand this. The minister of immigration appears to understand it, but the Minister of Canadian Heritage does not.

The Prime Minister is not applying the same ethic requirements to all of his cabinet. I ask this question specifically and directly for an answer. Why is he giving the Minister of Canadian Heritage such special treatment in this instance?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister came to this House and provided members with all the facts and information surrounding the matter. In fact he stated quite clearly that the minister in question made a mistake.

• (1440)

The minister in question made a mistake and the guidelines as they relate to quasi–judicial bodies were not clear. He had moved to rectify the mistake, first of all by the member's letter specifically to the CRTC. Second the Prime Minister moved to clarify the guidelines by asking Mr. Wilson to reintroduce a new package. In the meantime he has established interim guidelines where all future communications of all ministers to quasi–judicial bodies must go through the ethics counsellor.

I think he has done the job in four days and I feel that he has delivered on his promise of honest government. I believe he has reinforced the notion that ethics and integrity are the hallmark of his administration, they are not simply a regulation.

* * *

[*Translation*]

## CANADIAN SECURITY INTELLIGENCE SERVICE

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, while the Minister of Canadian Heritage continues his soul searching and is probably getting ready to confess all, let me address another issue. My question is for the Deputy Prime Minister.

CSIS is back in the hot seat. According to a book entitled *Betrayal*, which will hit the stands this week, CSIS asked one of its agents to plant a bomb aboard an Air India plane in Rome in 1986, so that Sikh terrorists would be blamed for it.

Does the government intend to check such troubling allegations and does it acknowledge that, if they are proven true, the strongest measures should be taken against such criminal activities?

[*English*]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, this matter was reviewed by the Security Intelligence Review Committee and was reported on in its public report in 1987–88. It is my recollection that the Security Intelligence Review Committee in that report found that CSIS had acted properly, contrary to the allegations.

[*Translation*]

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, let me point out to the Leader of the Government in the House of Commons that one of his own members made this serious allegation.

Considering the allegations that democratic organizations were infiltrated by CSIS, that the conversations of members of the Quebec government were monitored by the CSE and a bomb was placed aboard an Air India plane by a CSIS agent, will the government agree to set up a real public inquiry on the actions of federal secret agents?

[*English*]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, responses about the CSE would have to come from the Minister of National Defence.

With regard to the matter reported in the press as being the subject matter of a book, which I have not seen yet, I have just read about it in the press, I understand the matter of Ryszard Paskowski was thoroughly examined by the Security Intelligence Review Committee. In its annual report for 1987–88 it stated: "CSIS dealt properly with Ryszard Paskowski". I think that speaks for itself.

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## ETHICS

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, my question is for the Deputy Prime Minister and has to do with the role of the ethics counsellor in the now infamous Minister of Canadian Heritage affair.

We have it on good authority, namely from the counsellor himself, that he first found out about the letter on Wednesday, October 26 and that his source was the press and not the Prime Minister's office. He was not asked by the Prime Minister's office to do anything. He was not asked to prepare a report on the letter and he has not done so.

My question is simple: Why did the Prime Minister take the trouble to appoint an ethics counsellor and obligate the taxpayers to pay for the cost of that position if he does not consult with him on an issue this critical when he had over a month to do so?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I think the Prime Minister more than adequately answered that question when the same question was posed yesterday and last week.

**Mr. Ken Epp (Elk Island, Ref.):** I suppose, Mr. Speaker, we will ask the same question again until we get an answer that is correct for the Canadian people.

• (1445)

The ethics counsellor has confirmed that it was only on Friday last, October 28, that he was given a document which outlines the rules for ministerial conduct and that he was asked to bring it up to date vis–à–vis dealings with quasi–judicial bodies. The Prime Minister stated yesterday that his recommendations were to be discussed by cabinet.

Would it not enhance public confidence if the guidelines for ministers would be made public, be presented, debated and possibly amended in this House and approved by a free vote of members of Parliament on behalf of all Canadians?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, that is exactly the process that the Prime Minister promised earlier this week.

* * *

[*Translation*]

## ELECTRONIC HIGHWAY

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, my question is for the Minister of Canadian Heritage. Speaking yesterday at the convention of the *Association des câblodistributeurs du Québec*, the heritage minister stated that only the Canadian government should control the electronic highway, in order to be able to set national objectives and promote the Canadian cultural identity. He categorically refused to acknowledge the role or responsibility of the provinces in this matter.

How can the heritage minister exclude Quebec and all the other provinces from the electronic highway project and consider them, along with cable operators and municipal governments, as mere lobbies?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, had our colleague taken the time to read the speech I made yesterday, he would know that what he has just said is absolutely incorrect.

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, I am just quoting today's newspaper.

Must we infer from the scornful attitude of the minister that not only does he deny in fact Quebec's distinct character, but that he also rejects off–handedly all our historic claims in matters of culture and communication?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, it is interesting to see how my words are distorted. In fact, I have been very open to any contribution the industry and any stakeholder in Quebec can make to the development of the electronic highway.

[*English*]

## INDUSTRY

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, I would like to change the line of questioning in this House if I could. My question is for the Parliamentary Secretary to the Minister of Industry.

It has been one year since we were all elected to this prestigious House of Commons. In reviewing my files I happened to notice that this government had made a commitment one year ago that we wished to become a nation of exporters.

I have a large representation in the business community in Nepean and a large number from the high tech industry asking if this ministry has moved ahead on making sure that we become a nation of exporters?

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I want to acknowledge this very timely question from the member for Nepean.

**Some hon. members:** Oh, oh.

**Mr. Mills (Broadview—Greenwood):** The Reform Party does not seem to show a lot of interest here in the government's commitment toward small and medium sized business. This is National Services Month.

The service companies of this country employ close to 9 million Canadians and the Government of Canada has made a commitment to work with the service organizations of this country to make sure that they are properly equipped to be more competitive as we head into a global trading experience. We are adding all kinds of support to the FBDB and to the rest of the Department of Industry to make sure that the service companies of this country are looked after.

**Some hon. members:** Hear, hear.

• (1450)

**The Speaker:** I am sure we will all agree that all questions should have the same weight and they should be getting an answer that we all listen to. I would encourage you that when questions are asked we give the responder a chance to get the answer out.

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## ETHICS

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, I too would like to change the line of questioning. The Liberals of the 1990s are scandalously similar to the Liberals of the 1970s, smacking of allegations and conflict of interest.

In 1971 our present Prime Minister called a Quebec judge. Regardless of the reason he maintained he could call since he was acting just as a member of Parliament and not as a minister. Sound familiar? He did not say that was a mistake.

Could this be the reason 20 years later why the Prime Minister will not ask this minister to resign because he could not hold this minister to a higher level of responsibility than he himself had?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I am surprised and disappointed at the line of questioning of the hon. member.

The fact is there is no one in this House who has a greater sense of integrity or honesty than the Prime Minister.

**Some hon. members:** Hear, hear.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, in 1976 Prime Minister Trudeau brought in guidelines that stated: "Nor may any member of cabinet communicate with members of quasi–judicial bodies", except of course through the proper formal channels. Even in 1984 Mr. Mulroney put guidelines in place.

Are these guidelines of the 1970s and the 1980s not good enough for these Liberals of the 1990s? Will the Prime Minister live up to that fine sense of integrity and ask this minister to resign?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I think the hon. member is somehow leaving the impression with the public that this guideline is in someway different from the guidelines that have been in place in the past.

The guideline the Prime Minister instituted with respect to quasi–judicial bodies was the guideline that had been in place for more than a decade. The guideline is obviously not clear and that is why last Friday the Prime Minister asked the ethics counsellor to make sure there is a full public—the previous minister of Mulroney's government did not seem to mind when they were his guidelines at that time in 1989.

The fact is the current guidelines are not clear and to clear up any uncertainty the Prime Minister is asking for a full open parliamentary public debate on new guidelines. I do not see how much clearer the Prime Minister can get than that.

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[*Translation*]

## GOVERNMENT SPENDING

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, we are now facing a very serious financial crisis, as the Minister of Finance found out himself just recently. In that connection, we learned that the cost of travel made last year by federal civil

servants reached $617 million, which is more than $2.5 million a working day in travel by federal civil servants.

• (1455)

The minister asked members of the Bloc Quebecois for suggestions; should he not work at reducing travel by federal civil servants which costs, as I said, $2.5 million a working day?

[*English*]

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, actually the amount of travel costs has been going down.

There has also been a decline in the number of people in the public service as has been pointed out previously. Of course this is kept under very close scrutiny by the Treasury Board and by the various ministries. We intend to keep doing that.

We are in a position in which we have to cut the cost of government to get the deficit down to 3 per cent of GDP. It requires that we keep vigilant on all of our expenditures including travel expenditures. We intend to do that.

[*Translation*]

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, while we are on the subject of costly travel, my second question is for the defence minister. Can the Minister of National Defence confirm that Lieutenant–General Scott Clément used a government Airbus 310 for the sole purpose of going to the William Tell missile firing competition in Florida, when he could have taken a commercial flight?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I have no knowledge of the specific question the hon. member has posed.

Quite often there are training flights using A–310s and Challengers. I will look into the matter for him.

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## CRTC

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, my question is for the Prime Minister.

With respect to the Minister of Canadian Heritage, it is becoming increasingly obvious that the application process of the CRTC was tainted by political interference by the minister.

The CRTC in refusing the application may itself have made a political decision just to be on the safe side. The panic stricken phone call from Mr. Darling to the member for Calgary Southeast yesterday merely confirms the concern felt by many Canadians that this quasi–judicial body is now feeling pressure for political reasons.

How can the Prime Minister assure us that the integrity of the CRTC and its decision making process have not been compromised by the actions of the minister?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, in the letter of the secretary general to the hon. member he states quite categorically that all communications related to a public process are treated in the same way. This includes a minister of the crown or other members of Parliament.

The member pointed out quite rightly yesterday that obviously the influence of the minister could not have been that substantial because the application was denied.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, when a letter comes from a minister it is often as much what is not said as what is said that influences an outfit like the CRTC.

In 1976 the Minister for Public Works at that time telephoned a judge on behalf of the current Minister of Foreign Affairs. That minister offered his resignation voluntarily to the Prime Minister but the Prime Minister of the day, Mr. Trudeau, refused to accept it.

Surely it is not Liberal tradition to interfere with judicial bodies and get away with it. Will the Prime Minister, if it is, break with that tradition, do the right thing and ask for the resignation of the Minister of Canadian Heritage?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the member can pose his question to the Prime Minister.

The Prime Minister is not here. It is awfully hard for us to respond to allegations of things that were not said in letters that were not written.

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## THE ECONOMY

**Mr. David Iftody (Provencher, Lib.):** Mr. Speaker, my question is for the Minister of Finance.

There are growing concerns among the Canadian small business community about the sustained growth of the economy and third quarter results.

The small business community in particular now is undertaking long term investment and hiring decisions on the prospect of sustained growth. What assurances can the Minister of Finance give this House that the recovery is secure and under way?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec, Lib.):** Mr. Speaker, I would like to congratulate the member for asking a question on the economy which is obviously of the greatest interest to Canadians, albeit clearly not of interest to the opposition.

• (1500)

Small and medium size businesses in the country are obviously very encouraged by the strong growth we enjoyed in the month of August, but it is also important to look at the details behind that growth.

The fact is that half the increase came in manufacturing. In fact manufacturing is up 8.7 per cent over the month of August last year. At the same time construction is up 7.7 per cent over a year ago. There is a clear revival as a result of the increase in the number of jobs and consumer confidence; retail sales are up.

One thing I am delighted to be able to say—and I congratulate the member for his question—is that we are clearly on the way to the strongest growth in the country since 1988.

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### PRESENCE IN THE GALLERY

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of our fellow parliamentarians who are here with the Commonwealth Parliamentary Association: Mrs. Elizabeth Hubley of Prince Edward Island; the hon. Gérald Clavette of Newfoundland; the hon. Emery Barnes, Speaker of British Columbia; Anthony Whitford, MLA, Northwest Territories; Neil Reimer, Assistant Committee Clerk, B.C.; and Peter Doucette, Government Whip, P.E.I.

**Some hon. members:** Hear, hear.

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## GOVERNMENT ORDERS

[*Translation*]

### WORLD TRADE ORGANIZATION AGREEMENT IMPLEMENTATION ACT

The House resumed consideration of the motion that Bill C–57, an act to implement the agreement establishing the World Trade Organization, be read the second time and referred to a committee.

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, as a Quebecer and as the member of the Bloc Quebecois representing the riding of Longueuil, I am pleased to take part in this debate on the bill to implement the World Trade Organization Agreement. In my remarks, I will rely on my personal experience.

I worked in the business sector for 15 years. I owned a small business that employed about 25 people. I was also the president of a company in the wholesale business with some 30 employees and president of the Chamber of Commerce of the South Shore of Montreal, the third most important chamber of commerce in Quebec. During the same period, I sat as director on the board of a credit union. I say all that just to show that most business people in Quebec are deeply involved in their community, just as I was, and can be pressed for time.



It is sometimes difficult for them to deal with international matters. I am proud of my deep involvement in the business sector, because it is a marvellous and exciting sector. Business people are constantly looking for means to improve both management and productivity. It is a world of constant change and inventiveness.

As a businessman and a politician from Quebec, I am delighted at the new opportunities that will flow from the new GATT.

• (1505)

Business people, through trade, will also get to know each other better and probably become the best instrument for achieving a more lasting peace in the world. So the Uruguay Round and Bill C–57 are important steps, as I have just mentioned. Today, the globalization of markets creates important and increasing opportunities. Businesses have to be more and more efficient.

Businesses need a flexible and efficient framework regulating trade as well as credible dispute–settlement mechanisms. Businesses must be able to count on the co–operation of enlightened government partners as well as unions sensitive to the economy. Businesses need laws and rules adapted to this new environment.

The Uruguay Round negociations will lead to an increase in international trade. Some statistics put the increase at $750 billion over the next 10 years. The amount of money flowing from one country to another is potentially enormous on the international level. So we must carefully watch this increase in international trade. This will also bring about an increase in total wealth of some $200 billion.

Here also, people will be richer, they will be able to spend more and they will have a greater potential for doing so. With Bill C–57, which implements the accord in Canada and Quebec, what are the stakes for Quebec, what is the importance of trade for Quebec? Quebec has a long commercial tradition. The history of our people is marked by trade.

Fur, fish and softwood trade has been the backbone of our economic development for the last four centuries. Today, we still export softwood, newspaper, electricity, aluminum and communication services. The last thirty years have allowed Quebec to open to the world.

The increase of international trade in Quebec is important and, of course, we have established some bases in other countries. We have several offices in several major cities of the world, in the United States as well as in Europe. Even in Japan, we have trade commissioners, so that Quebec is remarkably open to the world, and we will continue to work in that direction.

Quebec is very open to the world. Here is an example that happened not too long ago. In 1988 the government had a free trade project with the United States. Quebec was one of the first to support free trade. Free trade was supported almost unani-

mously, certainly by the Quebec Liberal government, the Parti Quebecois and the vast majority of Quebecers.

Of course, at that time, federal Liberals were against free trade. Over time, they finally understood, but I can tell you that it was a never–ending battle, particularly during the 1988 election, which was mostly based on free trade. Unions were also against it because they were supporting the NDP. But now, they have changed and are starting to understand that free trade with the United States is a good thing, that world market liberalization is a good thing for most businesses.

Quebec also supported the latest agreement, NAFTA, between Canada, the United States and Mexico. Once again, that demonstrates that Quebecers are very open to world markets. I will now talk about Quebec's openness towards the coming of new partners in NAFTA. Quebec, a growing society, has become a partner which is credible, efficient and well respected not only in North America but also in Europe. More and more businessmen and businesswomen in Quebec are active in international trade. Quebec needs a legal framework in order to develop its export industry. International trade is a challenge for business people in Quebec. There are numerous and daily challenges in the business sector but international trade is even more demanding.

• (1510)

There are some aspects to be considered. First, the financial soundness of the company. Before considering the export related costs, we have to assess all the costs in terms of prospecting and distribution network. For instance, as far as foreign accounts receivable are concerned, we have to take into consideration customs clearance and exchange rates.

Second, the control of production costs. Can the production be done within the timeframe without altering services provided to local customers who bring in our daily bread and butter?

Third, staff qualifications. Is the staff fully qualified to meet the demand? In terms of foreign languages, legal and technical vocabulary, business networks, financial support agencies, market, traveling, etc., can we train current staff? Should we hire qualified staff or people abroad?

Fourth, the marketing instruments. Before investing in marketing activities, a company should get some information on the way of doing things in the country with which it intends to do business.

Fifth, the expectations of customers. Check if the product or the service you wish to export meets the expectations of our new customers. International trade is a complex matter, hence the importance of trade agreements and mechanisms necessary to their implementation.

The role of governments. International governments, the 108 governments party to the agreement must first establish a framework for international trade; negotiate trade agreements furthering the access to new markets as well as preserving harmony and balance; eliminate barriers to international trade. The Uruguay Round satisfies those requirements to a great extent.

Sixth, business support. I believe the government should keep a close eye on the performance of businesses, their needs and the different matters that I have already mentioned, for example a certain guarantee concerning accounts receivable. When you export, collecting bills can be a difficult thing. The government should establish some sort of guarantee. That already exists for larger companies but it becomes very difficult and costly for small business, small and medium–sized firms. Governments should create a fund that would guarantee accounts receivable for small and medium–sized firms wishing to export.

There is also the issue of loans for the promotion of our products. It is often very difficult for small firms who have excellent products to export them if they do not have the necessary cash flow and it is often difficult to obtain it from the banks. Measures should be taken to ensure provision of funds for the promotion of our products. These funds would not constitute a gift but would rather be a loan guaranteed by the government or by independent insurance companies or others. Such a fund should definitely be set up to promote our products on foreign markets.

• (1515)

There are also trade bureaus abroad that are dynamic and available, people who are very willing to help our small and medium–sized businesses wishing to export and to develop markets. Public servants often lack drive. There is a lot of diplomatic talk, but when the time comes to do business, it is considered inappropriate. But I believe that the best way to survive is to do business, especially in these very open markets. It will really be necessary to support our businesses, to at least give them the information they need about the culture and the economy of those countries, the way they do business, all kinds of information that is available to the staff of the Department of Foreign Affairs and that could be useful for small and medium–sized businesses.

Because it is important I want to focus on an area over which Quebec has been claiming exclusive control for a long time, manpower training. We shall have to really consult each other, to try to be as efficient as possible and to train highly advanced people in order to be able to produce, create, be productive, to have adequate manpower, etc.

This is a very important point. I read in *L'actualité* of September 15 an article I found interesting. I knew a little bit about it, because when I was chairman of the Committee on Science and Technology we toured Europe. I had been struck by the dynamism shown by the Germans in the area of training in

science and technology. Scientists I met there were utterly different from the scientists here; they acted like car salesmen. They were extremely energetic and, what is extraordinary, they had business acumen.

In the article I was mentioning, Sylvie Halpern writes: "A small town of 15,000 inhabitants can have its own technical school, provided there is some industry and specific needs for specialized manpower. The financing comes from the Lander, the 16 administrative regions of Germany".

In Germany, the regions are responsible for vocational training. The federal government does not tell the regions what they need in terms of training, they each look after the needs of their area. It is said that Quebec and Ottawa quarrel about that. I should have said at the start: "Here is a model that works, the German model".

This system has been in existence in Germany for a long time. They decentralized manpower training long ago, and they did it in a way which is more responsive to the needs of business.

Here is another interesting excerpt: "The strength of the German technical colleges resides in the fact that students come and go constantly". I must say that in the vocational schools, even in the schools of high technology, students share their time between the workplace and the classroom. They put to use what they learn and are much more capable and efficient when they get on the work market. This way, products are better, productivity is greater, etc.

It is also reported that: "Technical colleges are a new type of university focusing on practical abilities". That is what they do. The report says we simply must be more practical in what we teach instead of teaching vague notions, horizontally. We must be closer to businesses and focus more on their needs. It will be necessary.

It goes on to say: "About 800 industry professionals teach in these institutions". Their teachers are not people who know nothing of the industrial environment but only big principles learned in books. They are people who work in the industry and are well–acquainted with this environment.

● (1520)

What I mean is that manpower training must be managed by Quebec, by businesses and even by those regions with highly specialized sectors. This is the only way we will become truly productive and be able to meet the competition from other countries in a global economy. I support the opening of markets, but, at the same time, we must ensure that our labour force, be it technicians, managers or business owners, is adequately trained to compete on the world markets.

Germany is an excellent example of this. I even took the trouble to send a copy of this article to Mr. Garon, the new education minister in Quebec, for him to read.

It bears to be repeated. We will never repeat it enough because the federal government is so stubborn. We have been talking about it for the past 20 or 30 years, but during all that time we have been falling behind. That is why we have to repeat it again and again. I wonder if we will ever succeed. The federal government is so pig–headed and, as you know, it wants to keep its spending power all for itself so that it can tell Quebecers: "Look, if I had not been here, this would not have been possible". That is the idea, you see. This is not logical, this is not practical. This is not the right thing to do. But what the federal government is saying is this: "I want to impose my will. I want to prove that I am important. If I were not here, you would not be able to succeed". And herein lies the misconception.

Have I run out of time, Mr. Speaker? I feel as if I have only been speaking for ten minutes. I still had a lot of things to say. Anyway, I am very proud to have taken part in this debate.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I just heard the hon. member opposite talk about the stubbornness of the government of Canada and governmental services such as the FORD–Q, the Federal Business Development Bank, and the services responsible for promoting Canadian exports.

I would really like to know whether the federal government was stubborn when it came to providing assistance to Canadair, Bombardier, SNC Lavalin, when it came to providing assistance to Spar Aerospace in Montreal and Quebec pharmaceutical companies. Did they call it stubbornness on the part of the federal government when tens of thousands of jobs were created with the direct participation of the government of Canada?

Unfortunately, the hon. member takes a stand that completely ignores such accomplishments as well as the unconditional support of the Canadian government to Quebec businesses.

The member opposite talks about the qualifications of Quebec representatives abroad, but what does he think of the appointment of the former chairman of the Société Saint–Jean–Baptiste of Montreal, an ideologist who knows nothing about Quebec business, let alone about international affairs. You would call him a worthy representative of Quebec and Quebec business people abroad?

I know what I am talking about. I speak from experience. I have had the privilege of working in Japan myself on a number of occasions. To think that we, Quebecers, are represented by an ideologist from the Société Saint–Jean–Baptiste of Montreal whose sole purpose for being there is to sell separatist propaganda instead of working to open up new channels of trade for Quebec businesses, I say it is time that we determine how useful

these Quebec offices abroad really are, when we are represented by the likes of Mr. Doyon, the former chairman of the Société Saint–Jean–Baptiste of Montreal.

With respect to education in Germany for example, one must remember that nothing prevented Quebec from training semi–skilled manpower because, as we know, education is a provincial jurisdiction. Quebec has had control over education matters for much more than 30 years; it has had it for 125 years.

So, nothing is preventing Quebec from setting up a real vocational training program that meets the needs of the people of Quebec and the challenges of the next century.

• (1525)

I would be curious to hear what the hon. member opposite has to say on these three subjects: first, the fact that the federal government has always participated and that many businesses in Quebec have benefited from its participation; second, the fact that I challenge the qualifications of the Quebec delegate general in Tokyo and, third, whether or not he recognizes that Quebec was never prevented from conducting its own in–house vocational training program.

**Mr. Leblanc (Longueuil):** Mr. Speaker, when the hon. member talks about the subsidies received by Quebec businesses, I agree with him. However, he forgot to mention something I pointed out in my speech earlier, namely that the money received by Quebecers is the money they sent to Ottawa previously. It is not a gift from the federal government; that is the problem.

Federalists are always trying to make Quebecers believe that Quebec could not survive without the federal government. In fact, the money given to Quebec, whether it is the New Horizons Program for seniors, the old age pension or business subsidies, comes from Quebecers. Let us stop pretending that this money comes from the federal government, when it comes from the pockets of Quebec taxpayers. God knows how much we pay in taxes! God also knows how much is wasted because, while this money goes from Quebec to Ottawa and back to Quebec, perhaps 25, 30 or 40 per cent is lost through waste, inconsistency, etc. That is the first answer.

As for representatives abroad, I can say that the Government of Quebec is doing an excellent job. Four or five representatives in New York, Boston, Tokyo or elsewhere have already been replaced as it is quite normal for a government to be represented by people who share its vision and its business policy. Would the Liberal Party of Canada not replace its representatives if they did not share its vision? The Parti Quebecois is moving quickly and doing a very good job, and I do not see anything wrong with that.

As for the former President of Montreal's Saint–Jean–Baptiste Society, I know him personally. I can tell you that he is an exceptionally intelligent man. His vision is much wider than that just outlined by the hon. member for Gaspé, much wider than the hon. member thinks. If he has such a narrow view of people, I think that he has no place in this House. He shows flagrant disrespect for this person who devoted himself body and soul to protecting the French language in Quebec. He may not think French is important in Quebec but it is very important to us; we have great respect for this language and I think he should, too.

As far as training is concerned, there is no doubt that Quebec is responsible for training, but the federal government stubbornly continues to spend billions of dollars on manpower training. There will be a $2 billion UI surplus. Of course, the federal government will want to keep this money and then spend it in Quebec so that it can boast that it is doing Quebecers a favour. We know that this money is being spent in a disorderly fashion. It is spent with an efficiency rate of about 25 per cent. I am not saying that it is completely wasted, but spending on manpower training is about 25 per cent effective.

Very little really adequate training is going on for the money that is spent. The amounts are huge! Imagine if the federal government left this $2 billion with Quebecers or gave it to the Quebec Department of Education to create proper programs that are more focused on businesses that need better adjusted training. No, that is not what happens. Seventy–five per cent is wasted.

On Monday, I was in my Longueuil riding office and three people with manpower training problems were there to say that they were finishing high school and their aid was being cut. They were told that they were not entitled to assistance anymore and it was over.

• (1530)

That is crazy. I prefer not to talk about it. I am tired of it, because every week we have problems with this system. For a long time, Quebec has demanded control of manpower training. It is essential and Quebecers are unanimously for it. Everyone in Quebec—business people, labour, the Department of Education, the former Liberal government, the Parti Quebecois, the present government—demands it. The Bélanger–Campeau Commission also called for it, but the federal government is stubborn and nothing can be done about it.

[*English*]

**The Deputy Speaker:** The hon. member for Okanagan Centre will have the floor next. I might indicate to colleagues that after the member speaks, we will go to 10–minute speeches because we will have debated the matter for five hours.

However the hon. member for Okanagan Centre has the full 20 minutes.

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, it is a pleasure for me to enter the debate on Bill C–57.

This bill supports the conclusions of the latest round of GATT, an agreement that provides a framework in which Canada and the rest of the free trading world can share in prosperity and put the world economy on a sound footing as it heads toward the 21st century.

For Canada, a country heavily dependent on trade, the GATT represents the world's commitment to a strong international trading system. GATT shows us that the world has the courage to co–operate, not hide behind destructive, protective measures and that it is able to find a trade dispute mechanism which can be agreed on, not only in principle but in the real world.

The GATT has created the World Trading Organization, a strong, effective, permanent institution which will oversee world trade policy and settle disputes between nations on a multilateral basis.

The GATT has strengthened trade rules on subsidies and countervailing duties. The GATT has achieved commitment from 120 participating countries to lower or eliminate tariffs or other barriers to trade. The GATT is multilateral. One hundred and forty–one partners in 21 countries came to these agreements. It is progress. It is prosperity.

But the GATT does something else, succinctly, clearly, loudly. It points out a glaring deficiency. It is easier for Canadians to trade with the world than it is for Canadians to trade with Canadians. While the world creates its own window of opportunity, the federal government and the provinces are still unable to make any real progress toward achieving the same.

Emphasis is put on the fact that one in five jobs are dependent on international trade and that 30 per cent of Canada's GDP is reliant on international trade. But what about the four jobs that rely on internal trade within Canada and the 70 per cent of GDP that still relies on a sound fiscal and monetary climate right here within our own boundaries?

It is like throwing salt in a wound to know that the textile industry can find more support in the GATT than it can at home. Canada's textile market is about to gain improved access to major developed trading partners including the European union and Japan. It is what the textile industry pushed for and it is what they got. But not here in Canada.

The same is true for 11 other sectors from wood to steel to agriculture. Everywhere in the world, but not here. This must change.

More than an avenue of tacit trade globally, the GATT has provided Canada the blueprint for success in breaking down internal trade barriers. Like the GATT, we must acknowledge that it takes the development of a strong, central body like the World Trade Organization to ensure a well engineered program.

In Canada we need a strong central federal government able to direct the provinces toward initiation of a multilateral, equally beneficial agreement among the provinces like the GATT. It is important to acknowledge that in large part the success of Canada in the GATT negotiations has been inspired by an industry driven agenda.

• (1535)

Industry knows what it needs to increase production and provide more jobs. The federal government must listen to it, as the world has, for industry's drive and confidence will give the provinces the incentive to want to trade with other provinces.

Like the GATT, we must seek to find a level playing field. We must encourage the internal trade market to expand so that the trading system does not operate solely for the benefit of a powerful few. We must create an environment in which all provinces will be encouraged to become key players. Each province must have the opportunity to access the Canadian market without fearing counter–protective measures or costly compromise.

The Minister of Industry has said again and again that we must ensure Canada's prosperity, that trade barriers are a question of economics, that we must liberalize trade in Canada. The minister says we are making progress in this direction, but I cannot agree. The urgency of this matter seems apparent to only a few. Otherwise the government and the provinces would be trying harder to come to an agreement.

The GATT agreement should give Canadians the confidence to reach an interim trade agreement and prove that the advantage lies in being less protective of our home markets, not more. Industry knows it, but government is slow to respond. Industry is anxious to develop a strong market inside the country, but it is being forced to rely more and more on what is outside. Why? Because the provinces have become so adept at their political agendas they have forgotten the initial agenda.

We do not act like a country. We act like jealous neighbours whose sole interest is to protect ourselves. By doing so we fail to see that we are divesting, not investing, in ourselves and creating limits to the markets we could access. Internal trade is about economic unity. Without it we do not progress, but are mired down on issues like sovereignty which only serve to divert our focus.

While we struggle with these secondary battles the rest of the world moves on and takes advantage of the global marketplace. While we bicker about organization and administration, we fail to consider strategy. We do not present ourselves to the world as Team Canada, but 12 small and separate countries.

The irony is that while we work so hard at being separate, we all bear the cost of those Canadians who are not given the opportunity to succeed. It is a sad commentary that we define ourselves as Canadians through our failures more than our successes.

We have failed at internal trade. Canadians are not good at it and it is an attitude that reflects much too often on the way we trade internationally. For all that Canada's international trade represents 30 per cent of our GDP, only 100 companies or so really represent that volume of trade. Perhaps industry would trade better and would take advantage of international opportunities if the governments of the country provided them with a safe environment in which to practice their trading abilities.

We must ask ourselves whether Canada can take advantage of the opportunity provided by this round of GATT. Can we provide a world market? Can we survive a world market and fully participate in it if we do not bind together and pull together as a whole? Can we find a way to work together so that issues of sovereignty do not jeopardize us in the eyes of the world monetary culture? Will we have the luxury of fighting our cultural battles if we do not establish a strong economic foundation first? Can we take full advantage of trade opportunities if we insist on being the sum of our parts and not the whole?

Some have suggested that the new era of global trade is making the necessity for internal trade barriers obsolete. Soon industry, they say, will lobby Geneva not Ottawa. Soon, they say also, nation states will gradually delegate their sovereignty to world trade organizations; but 70 per cent of our GDP says otherwise. Four out of five jobs say otherwise. It may be the future but we will not survive there in the future if we do not survive and master the present.

We require the federal government to pursue the breakdown of internal barriers with the same commitment it did in the GATT negotiations. It must do more to ensure Canadians work better together and enhance the opportunities of our internal trade market. If it does not, the government will be guilty of negligence both to the people and to the unity of this country. It is true that the divided are more vulnerable to failure but we have all the makings of a true economic union. It is time we saw the necessity to achieve it. We cannot drift on the premise that failure is far round the corner. It is not.

• (1540)

We need freer trade within the country. We need an agreement that will reflect all the valuable lessons that have been achieved in the GATT. We need to emphasize co–operation to create jobs and balance the budget. We need to bypass the political agendas for an industry driven agenda that will give all parts of the country equal access to opportunity. We need to respect that trade barriers are a question of economics and not issues of cultural protectionism. We need to lay more than a foundation, we have to break through the barriers and take advantage of a potentially profitable internal trade market. We need Canada to succeed at home as well as abroad.

One hundred and forty–one partners in 21 countries found a way. Surely 13 partners in one country can do the same.

[*Translation*]

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, I rise on behalf of the Bloc Quebecois to discuss Bill C–57. This government bill, tabled by the Minister for International Trade, concerns the implementation of the agreement establishing the World Trade Organization.

Consequently, this legislation primarily aims to bring Canadian laws into conformity with the agreement signed by 117 GATT member countries, in Marrakesh, on April 15. The agreement marks the end of the Uruguay Round of negotiations, which started more than seven years ago. Bill C–57 confirms Canada's full participation in the World Trade Organization, which will replace GATT, as of next January.

It comes as no surprise that the Bloc Quebecois supports the signing of this agreement, as well as the bill tabled by the government. As you all know, Quebec has always been very open to the world. For many years now, Quebec governments have maintained economic, scientific and cultural links with several countries. Quebec has been aware of the global village reality for a long time already. Therefore, it is normal that the Bloc Quebecois be in favour of free trade.

In fact, you all remember that, during the 1988 federal election campaign, Quebecers were the strongest supporters of the Free Trade Agreement. More recently, we all remember as well that Quebecers greeted the coming into force of the North American Free Trade Agreement, NAFTA, with maturity and confidence and, of all Canadians, Quebecers are still the strongest supporters of free trade.

On the other hand, just a few years ago, our Liberal colleagues, when they were in opposition, fought the fight of their lives against the free trade agreement. More recently, in the latest federal election, the red book said that the two free trade agreements were seriously flawed, referring to the Canada–U.S. Free Trade Agreement and NAFTA. It said that a Liberal government would renegotiate them. The Liberal program went so far as to mention cancelling the trade agreements if the proposed changes were not made.

We are pleased to note that our colleagues have caught up with economic reality today and become fervent advocates of freer trade. But as they abandon their election promises, we warn the Liberal government that we in the Bloc Quebecois will insist that it keep its commitment to help businesses and workers affected by the trade treaties.

• (1545)

The red book is clear on this subject. I quote: "Governments must assist individuals and firms to deal with the restructuring that is occurring as a result of trade liberalization. Such assistance is critical to building acceptance of structural reforms in the Canadian economy".

The federal government must urgently meet its responsibility for the integration or reintegration of workers and companies affected by the adjustments necessary for the transformation of our economy. International competition will affect some industrial sectors more than others. The federal government must fulfil its commitments so that Quebec and Canada can move toward innovation and excellence.

We know that, on the whole, freer trade promotes economic growth and, in that sense, the agreement stands to make more winners than losers. It is estimated that increased exports and imports could translate, says the OECD, into potential gains of $270 billion US, with six or seven billion dollars going to Canada. Even then, the people of Quebec and Canada have to feel that the government is behind them, that it is implementing industrial reconversion measures to enable businesses to adjust to new realities and meet the challenges of the 21st century.

And we will not be the only ones to benefit from this more buoyant economy. The poorest countries of the planet as well as developing countries could also take advantage of this. Too many trade barriers have proven to be discriminatory in the past with respect to products that these countries are in the best position to produce and to export.

The North–South Institute recently pointed to a glaring contradiction between our foreign aid policies and trade barriers. For example, under the Multifibre Arrangement, Canada applies restrictions on textiles from Bangladesh. If Canada lifted these restrictions, the net gain to Bangladesh would amount to $370 million, or three times our government–to–government assistance.

I could quote many more examples of protectionism targeting disproportionately products from the Third World. We have only to think about anti–dumping measures, export subsidies and customs tariff increases. Under the new agreement, governments may no longer resort to these measures, which had a major negative impact on poor countries.

The measures adopted as part of the Uruguay Round should raise the net revenue of developing countries by about US$70 billion a year, which is equivalent to a 3 per cent increase in their export earnings. This exceeds the aid they now receive from other countries. However, as the OECD and the World Bank recently reminded us, the poorest region of the planet, sub–Saharan Africa, may well lose out after these agreements are signed. Canada and the other signatory countries will have to redouble their efforts to ensure that this region of the globe can also benefit from a richer world.

It will also be necessary in the next few years to check on the distribution of the wealth created in developing countries. Except for our humanitarian efforts, Canadian aid too often ended up helping our local businesses, propping up dictatorial regimes, making the wealthiest people in those countries even richer, or financing the purchase of military or paramilitary weapons.

The internationalization of trade, however irreversible it may seem, must not be restricted to northern countries. Trade practices towards developing countries must be redefined.

• (1550)

The new World Trade Organization will, we hope, deal with issues affecting not only the restructuring of rich economies but also the distribution of wealth as well as improved social and economic justice.

[*English*]

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker, as a western farmer it is a special privilege to have the opportunity to speak today to Bill C–57. This bill as has already been noted provides the legislation to follow through on Canada's commitment to participate in establishing the World Trade Organization. I am pleased to support this legislation.

For farmers who have struggled through many years of depressed grain prices caused by the grain subsidy war between the European Economic Community and the United States, the completion of the Uruguay round of the GATT negotiations last spring after more than seven years of seemingly endless negotiations was as welcome as the first spring rain.

While all of us recognize that this agreement is just another step toward the ongoing liberalization of international trade regulations and not the end of the process, we must not forget it is a very important step for Canada and the other signatory countries. As I have said Canadian grain producers in particular applaud this step because it at least brings the world a little closer to restoring some sanity to the international grain trade.

The establishment of the World Trade Organization as the successor to GATT is especially encouraging. For the first time against the powerful lobbying efforts of the European farmers the GATT negotiations included agriculture. The dispute settling mechanism and appeals process is a long awaited ray of hope for Canadian farmers. So much for the good news. Does this bill go far enough to eliminate the trade distorting inefficiencies in our agricultural sector?

My oldest daughter turned 16 today. I wonder what the future holds for her and other potential farmers. If she chooses to stay in agriculture, without restructuring our programs will she and other Canadian farmers be able to survive in the next century?

Although it is a good first step the Uruguay round just touches a fraction of the unfair subsidies our farmers face in the international marketplace. Bill C–57 amends 31 statutes toward the implementation of GATT. However it fails to achieve the spirit and the intent of GATT which is the elimination of trade distorting policies built over decades of government interference in the market.

What has this government done with the bill? Instead of a complete overhaul of the agriculture programs to create a truly internationally competitive industry, this government is doing the absolute minimum to be in compliance with GATT. It looks at GATT green programs but does not touch them even if they create a further distortion in our domestic market. It looks at the Western Grain Transportation Act for example which is not GATT green and searches for an easy out to redesign WGTA just enough to make it less objectionable to the international marketplace.

Canada has been blessed with some of the finest agricultural land in the world. Due to a combination of factors such as the short growing season and the long distance to potential markets our prairie grain farmers face unique conditions that influence their decisions on what to grow, how much to grow and where to send it.

The Canadian Wheat Board was established in 1935 to provide some stability as well as equity of prices and export market shares to the grain producers spread across the prairies. Because of the size of its purchases this virtual monopoly has led to a system of dependency and distortion.

Lately the Canadian Wheat Board appears to be moving far beyond its traditional mandate as a central marketing agency for Canadian farmers. Just as Canada Post competes with private courier services, we now find the Canadian Wheat Board operating in direct competition with grain trading companies.

While the establishment of the CWB may have been necessary to ensure the survival of Canadian grain farmers when it was first set up, we live in a different world today. As GATT reduces agricultural subsidies in other countries we cannot afford inefficiencies in our marketing and transportation system if we want to be successful internationally.

• (1555)

We have all read the news. Entrepreneurial farmers in border zones are prevented from trucking their grain a short distance south across the border. Instead they must sell their export grains to the CWB which will probably load it on a freight train and ship it thousands of miles to a Canadian port.

About 90 per cent of the grain produced by Canadian farmers is exported. We must remain internationally competitive if we are to keep our market share. However, we are not playing on a level field. Domestically, grain transport subsidies have distorted the costs of production and delivery to our markets and internationally, producer subsidies abound.

Over the last few years Canadian grain producers were caught in the middle of the subsidy war between the U.S. and the European Community. They have poured billions of dollars into their war in an effort to steal each other's market shares but they only succeeded in driving international grain prices down to levels not seen since the depression.

Despite Canada pouring billions of dollars into aid for grain and oilseed producers, thousands of grain farmers still went bankrupt. In addition to the billions spent directly on stabilization and insurance programs for farmers, the government also spends over $700 million a year in grain freight subsidies to the railway companies through the Western Grain Transportation Act.

Under the WGTA the federal government pays the railways an annual subsidy on a dollars per tonne basis to cover the transportation of eligible grain from prairie shipping points to Thunder Bay, Churchill, Vancouver and Prince Rupert. As a result of GATT's analysis of our transport subsidies, Thunder Bay is not subject to the GATT sanctions but the western ports and Churchill are.

Already, valuable rail cars are tied up backhauling grain from Thunder Bay merely so the grain qualifies for the subsidy. Does this make sense? Yet this government's minister of agriculture has indicated it may take him until next summer to halt this ridiculous practice.

Because only the WGTA payments for grain transport to the west coast and Churchill have been deemed export subsidies by the GATT community, this means we will have to substantially reduce export shipments of grains and oilseeds through these ports within the next few years. In addition to a volume reduction, a portion of the total tonnage would also be assessed at the full freight rate.

This creates yet another distortion in our agriculture transport sector. There will be a major incentive for detouring grain shipments through Thunder Bay. This is despite the fact that grain markets have changed and the Pacific rim countries constitute a growing share of our grain market and it is the western ports that will be subject to the volume caps. Even though some of the grain going to Thunder Bay is also destined for export, the GATT has deemed those WGTA payments part of the domestic support program and not subject to GATT sanctions and countervailing measures by other countries.

Considering two of the targeted ports are in British Columbia, I question the fairness of this section of the agreement. British Columbians overwhelmingly rejected the Charlottetown accord because of the special status awarded to some citizens and

provinces. This is merely another example of special status being granted to central Canada.

Signatories to the GATT have agreed that by the year 2000–01 they will reduce their export subsidy levels by at least 36 per cent in dollar terms and by 21 per cent in volume terms below the 1986 to 1990 average levels.

The 36 per cent target does not eliminate major subsidies to our competitors. Instead the export subsidy reductions are tied directly to average support levels during the height of the grain subsidy war between the U.S. and the EEC. At that time subsidies for some European grain exports reached levels at least twice the price of the product. Reducing these subsidies by 36 per cent would still leave a subsidy in place worth more than the cost of the grain, hardly what I would call a level playing field for Canadian farmers.

We cannot afford to tinker with our subsidy programs in the hopes that they might comply with future GATT agreements. We must act now to eliminate disincentives inherent in our system which prevent more efficient handling and transport of grains. We must act now to give farmers the information and tools necessary to make sound management decisions based on real market prices and transportation costs.

Given a fair chance I believe Canadian farmers can compete successfully on the world market. However we must go much further than this bill does when it merely modifies our programs to meet with current international approval. As subsidies are brought down over time we must restructure all of our programs to prevent more internal distortions from creeping into the domestic decision making process.

• (1600)

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, today we all have to take a look at what is going on around us and realize the globalization that is occurring leads us to where we are in terms of the agreements we are talking about.

I have heard today that farmers are asking for a level playing field. I have heard that there is new hope for the industry and for Canadians. I have heard that supply management is on its way out but we do have time for adjustment so that people can get used to it.

I heard from one Bloc members that there is a great fear and a hatred for the U.S., that it is trying to destroy our culture, and that it is going to gobble us up. Separation, it seems to me, is a good way to get gobbled up, certainly with regard to whom they are going to be trading with. When they start having to trade with the Americans they had better believe it will be in English. The young people of Quebec will certainly be speaking English rather than French.

It is incredibly ironic we are making good progress on eliminating trade barriers internationally but have an awful long way to go at home. Under the current system Canada's domestic market is seriously fragmented by provincial trade barriers. This not only affects our competitiveness internationally but reduces our collective prosperity at home. Provincial impediments to free trade in Canada add around $6.5 billion annually to the cost of doing business in the country. It is around $1,000 per family and is absolutely unacceptable.

While the government is pressing hard for freer trade worldwide and is presenting the WTO enabling legislation in the House, it must also spearhead a movement to get rid of provincial trade barriers once and for all. If we could eliminate barriers to trade at home, the efficiency of Canadian businesses would be increased and their ability to trade internationally would be expanded. What better way is there to improve our position in the international marketplace? This is especially true for small and medium sized businesses which are suffering under the current system.

Today we are globalizing. We have talked a lot about that. We are finding that the world is probably breaking up into three major units. We have Europe including the eastern part of Europe. We have the Americas both north and south, and we have the Asia–Pacific. We must get onside. We must realize that the world is much smaller and not stick our head in the sand and hope that it will not catch up to us.

I was fortunate to travel across the country to listen to briefs presented by Canadians. Everywhere we go, including many international areas, we are told that we are not competitive because we are not aggressive enough, because we do not get out there and sell the country and the products we have.

We have trade departments that are doing a good job. They are attempting to market Canada and our products throughout the world. Something like the WTO is a great boon to them because it gives them a common level playing field on which to market the country and its products.

In my role in the foreign affairs area I have heard time and again about the importance of such rules based multilateral systems. While the WTO does not solve all the problems that exist over international trade, it does take a giant step in the right direction. Such a rules based multilateral trading system will protect countries like Canada from the unilateralist tendencies of the largest trading companies and increase our position in bargaining and negotiating with the United States. Hopefully in the years to come Canada will play a leadership role in the strengthening of the rules based multilateral system by promoting the WTO to effectively deal with the questions of trade remedies and anti–dumping actions.

Over one in five Canadians depend on exports for their jobs. That is over two million jobs. In addition over 30 per cent of Canada's gross domestic product comes from exports. Therefore it is vital that Canada aggressively promotes itself throughout the world. If we become naval gazing isolationists and protectionists all Canadians will lose. It is also vital that the House support Bill C–57.

• (1605)

The WTO offers Canadian farmers and businessmen a great opportunity to continue building our sales abroad. While we also have to open our markets to others, I do not see it as a threat. Canadian businesses can compete with anyone in the world. All we want is a fair and open international system with a level playing field. The WTO goes a long way toward accomplishing this.

When this agreement comes into effect next year it will commit some 120 countries to gradually reducing trade barriers. This will have the long term effect of increasing world trade dramatically. As we know, any increase in world trade means more exports for Canadian businesses and more jobs for Canadian workers: over 11,000 for every $1 billion in new exports. This means greater prosperity for Canadian families and this is what government should be all about.

We could talk about things like culture. When the Montreal Symphony and the Winnipeg Ballet go somewhere they are promoting the country. That is good for Canada and good for trade. We have to stop having an inferiority complex about ourselves. We are as good or better. We can compete and the WTO will help us do that.

Tourism, about which I know a fair amount, is a major industry of the world. Canada can do so much. We can be a leader. Everyone agrees that we have the most beautiful country in the world. Yet we have only barely touched the surface possibilities. As we deal with the world and as we communicate with the world we are going to do much more in the area of promoting ourselves.

The threat to Canada does not exist in the world. We must open our eyes and get out there and trade. The new forum does that for us. That is why I strongly support it. We must go further, however. We must liberalize our financial service institutions and our telecommunications; harmonize our professional, technical and licensing standards; and the list goes on. We must co–operate on environment because, as I said in the House yesterday, the environment is a world issue. It is not isolated to one country.

To conclude, Canada must aggressively promote free trade throughout the world. This means eliminating provincial trade barriers at home and becoming a leader in the WTO. I express my support for Bill C–57 which will go a long way toward creating prosperity for our generation and that of our children. Therefore I ask all members of the House to join me in supporting the bill.

[*Translation*]

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

(Motion agreed to, bill read the second time and referred to committee.)

* * *

[*English*]

## YUKON SURFACE RIGHTS BOARD ACT

The House resumed from October 21 consideration of the motion that Bill C–55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon territory and to amend other acts in relation thereto, be read the second time and referred to a committee.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I rise to address the House on Bill C–55, the Yukon Surface Rights Board Act. I join with the government speakers who have spoken before me today, including the Minister of Indian Affairs and Northern Development, in urging support for the bill. It is time to conclude the debate by giving our unanimous support for Bill C–55.

• (1610)

As hon. members have noted, it is a complex and technical bill and there is a good reason for it. The objective of Bill C–55 is to put in place a comprehensive surface rights regime that will apply throughout Yukon. This is not something that can be achieved without a detailed setting out of rights, obligations and responsibilities. However the impact of Bill C–55 will be far more significant than the creation of a new institution of public government, as important as it is.

Essentially the bill is saying that economic growth and job creation in Yukon will now become real priorities. Often when we come from urban ridings we tend to forget about Yukon and the Northwest Territories; we tend to be so focused on our own activities.

During my experience as an opposition member it seemed as though I had a little more time to see parts of the country. I had the privilege in my first term as a member of Parliament of visiting parts of our north. As many members would know, it is an area of the country that most Canadians know very little about other than looking on a map. That is about the only time we focus on the north. During my first term in office our leader organized a caucus in Iqaluit in the eastern Arctic. Our colleague from western Arctic took some of us to James Bay. Later in our

term in opposition we went to the western Arctic where we visited the various local communities.

Until one goes there one cannot imagine what is going on. Because they are out of sight they are out of mind in our agenda in the House. The issues and concerns are as important to them as our concerns in our communities, in our big cities or in our rural areas.

The bill is about giving Yukon the ability or the instrument to start generating some of its own economic activity. Members know that everyone in the north supports the bill. It is not as if the bill will put in the hands of people in the north, whether they be governments or businesses, the ability to do whatever they want. As I read the bill there are a couple of very specific points I want to mention. They have to do with the environment and are found in clause 47 which talks about terms and conditions. I would like to read it into the record:

> On application made by a Yukon First Nation that does not reach an agreement with the minister in respect of terms and conditions for the exercise by any person, on the settlement land of the Yukon First Nation, of a right of access described in section 2 of schedule II that are additional to any application, terms and conditions—

There are conditions. Clause 48 reads:

> Unless the Yukon First Nation and the minister agree otherwise, terms and conditions may not be established pursuant to an order made under section 47 for a purpose other than
>
> (a) protecting the environment;
>
> (b) protecting fish or wildlife or their habitat;
>
> (c) reducing conflicts between the exercise of that right and the traditional or cultural uses of settlement land by the Yukon First Nation or a Yukon Indian person; or,
>
> (d) protecting the use and peaceful enjoyment of land used for communities or residences.

● (1615)

This bill has very specific reference to ensuring that the environmental concerns in the north which we all care about are addressed. Any transactions taking place there have to fall within the concerns specified in the act.

I hope all members will support this bill. As we focus on our own economic activity and our own cities, let us not forget there are many Canadians in the north who are hoping that with this bill we can give them the instrument to develop their own economic activity in a whole range of sectors, from mining to tourism. With this bill we will give them the stability to make those decisions.

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, the member for Broadview—Greenwood talked about many different issues.

With regard to the surface rights board although it is designed to operate solely within the Yukon with two sets of representatives designated by the Yukon Indians as well as by the Minister of Indian Affairs and Northern Development, the whole concept of the board is that it will be paid for from federal funds. This is a particularly obnoxious part of the bill.

If we want to give this board long term stability and something that is locally responsive, then I firmly believe we need to ensure those groups that are benefiting from the existence of the board are the ones who are paying for it. I would not mind having a response to that comment.

Additionally, when we talk about northern communities, it is very important to recognize that Whitehorse is a very modern community. It contains 90 per cent of the population of the Yukon. There are 25,000 people, a modern airport, modern highways, modern housing. It has many more facilities than equivalent or smaller sized communities in my province of British Columbia. When I was in Whitehorse this summer I had a tremendous golf game. We cannot treat these communities and these areas as somehow being subject to a whole different set of rules than communities south of 60, certainly not in the case of the Yukon. That is my belief.

There was also a statement that everybody in the Yukon supports this bill. As we know, this bill flows from Bill C–33 and Bill C–34 that went through the House earlier this year. The member for Broadview—Greenwood knows very well how the Reform caucus felt about those bills. Bill C–55 is required as companion legislation in order to implement Bills C–33 and 34, even though they have already received royal assent.

At the time of considering Bills C–33 and C–34 we were given that very same statement that everybody in the Yukon supported those two bills. As a matter of fact everybody in the Yukon did not support those bills but certainly the filtered message we received in Ottawa was that everybody in the Yukon supported those two bills.

● (1620)

Given that Bills C–33 and C–34 have already received royal assent and we are currently looking only at Bill C–55, the degree of support in the Yukon is to just get on with business. It is a much higher degree of support. I am the first one to admit that is the case, but I did not want to holus–bolus let that remark slip by without making a comment on it.

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, I will begin by addressing the remarks about the support for the bill. I did not mean to suggest that every single person was behind the bill holus–bolus but generally speaking I think people are in favour of it. That is what I was trying to communicate.

As far as the board being funded by the federal government, the member mentioned he had some problems with that. I do not have any problem with that. I happen to be a member of Parliament who believes passionately in making sure that the Government of Canada presence is alive and well in every region of this country. In fact there are times when I think we devolve things too quickly around here. The fact that we are paying for this board would certainly give us some relationship with it which in the long run could be very important for all members of this House.

What is more important are the fiscal concerns that all members of this House have. Quite frankly the Reform Party has done a very good job in focusing our attention on grinding every ounce of fat out of the system. What we have to look at in this bill is the fact that we are going to set up a framework for generating real economic activity. It will turn this community into a more vibrant economic unit with more jobs, more taxpayers and less cost on the social security system.

We have to look at the total economic equation. The fact that we have to fund some administrative costs and board members to get the rest of the economic engine going in the north, in the long haul this bill will create a more fiscally responsible and productive environment for all of us.

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, I am pleased to speak on Bill C–55 today. Before I start my remarks I must address a couple of points made by the hon. member from across the way.

The business community in the Yukon and northern British Columbia of course is supportive of this bill, but it really has no choice. What this bill is doing is mitigating some very bad legislation that was passed through the House in the spring of this year. The mining industry felt this would be the only way it would have an opportunity to stay in the mining business in the Yukon after that legislation was passed. I had to bring that up right off the top and say that is the reason there is some support for this bill. It is not because the business community loves it, it just feels it has no choice.

• (1625)

What is this bill? It is an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon territory and to amend other acts in relation thereto. It sounds like something out of the Income Tax Act.

What it really means is that there will be a board made up of a chairperson and not less than two or more than ten other members to be appointed by the minister of Indian affairs. Half of the members other than the chairperson will be selected from nominations by the Council of Yukon Indians and the other half and the chairperson will be appointed by the minister. The only qualification is that every member must be a resident of the Yukon.

This bill relates to Bills C–33 and C–34. The passage of this legislation is needed as a last step to fully enact the Yukon self–government and land claims umbrella final agreements which were rammed through Parliament in June and given royal assent on July 7 of this year. Bill C–55 will establish a Yukon surface rights board which is deemed to be needed for the implementation of Bills C–33 and C–34 as an arbitration panel.

I would like to talk for a minute about Bills C–33 and C–34 and the land claim agreements that have been reached up in the north in general in the Northwest Territories and in the Yukon. In the last three or four years we have had four agreements: the Gwich'in; the Sahtu, Dene and Metis agreement which was passed this spring; Nunavut; and the latest is the Yukon land claim agreement.

Those land claim agreements encompass 560,000 square kilometres of land in the Northwest Territories and in the Yukon. The four land claims will cost the taxpayers of Canada $1.5 billion. The existing aboriginal programs that are in force today in Canada are guaranteed in perpetuity under the agreements that have been reached. There are 46,932 natives affected by these four agreements for a land mass of 560,000 square kilometres, a land mass roughly equivalent to the size of France, and a cost of $1.5 billion.

Of course the Reform Party took exception and takes exception to these land claim settlements because we feel they are too generous. Also the ongoing obligations of the federal government with respect to aboriginal programs is in no way affected by these agreements. They go on in perpetuity. Further, new bureaucracies are created as a result of these agreements. This is what we were saying in June and now we are seeing the realization of that in this Yukon surface rights board.

We recognize that land claim settlements have to be dealt with and we recognize there will be a land component as well as a cash component. I do not think any thinking Canadian doubts that. However, we do have a problem with the size of the land transfers and the amount of money involved. We think that for the population involved it is extraordinarily high and will affect Canadians in the future. Right now there is not a hue and cry because there are not very many non–aboriginals living the area. However, it is the future we are thinking of. It is the future opportunities in mining, forestry and other resource uses that we have concerns about when we are in opposition to these bills.

Going on to the bill itself because half of the members other than the chairperson will be appointed from nominations by the Council of Yukon Indians and the other half will be appointed directly by the minister of Indian affairs, patronage appointments will be rampant.

• (1630)

We all know what happens historically after every election when we get a change in government from the Liberals to the Conservatives. It will be the Reform the next time around. When we get a change in government, we see harbour boards and transportation boards, all kinds of boards that are stacked with political appointments automatically, mysteriously overnight all the faces change. We saw it after the last election in October of last year.

A great deal of partisan political manoeuvring goes on with these appointments. As much as our friends on the other side of the House will hasten to say there will be no partisanship here, of course there will be. That is the way it works.

We would like to see local business people submit a list of names to the minister. From that list of names the minister could make his appointments. At least that would remove some of the partisan opportunities or the partisan influence that this board might have in the future. It is very important for the mining industry and it is very important for people to believe that this board is going to be impartial.

It is a requirement that three people sit in judgment of each individual case that is arbitrated by the board. One of these people must be from the Council of Yukon Indians. However it is not a requirement that one individual be from the business industry or from the mining industry.

This board has the potential to be skewed and could give decisions that are not based on the proper representation that we think should be required.

The board will mediate disputes as to who may cross land. What will happen on undeveloped settlement land is something that is also a concern of ours. What will happen to non-settlement lands? The board has a fair bit of influence over lands which are not directly included in the land claims agreement. This is something that we are concerned about and I am sure the mining industry is as well.

This board parallels the work of other boards that are already in place. We say therefore that it is duplication. Each board member is allowed to use contract workers such as advisers who are also paid on a per diem basis. Board members are paid on a per diem basis. A multiple array of experts at DIAND are sitting around fully capable of acting as contract workers, already being paid by the taxpayers.

Why not select from these people who are already employed rather than hiring contract workers at an additional expense to the taxpayers?

Furthermore, because the work of the board is going to be on a per diem basis, there is a possibility that the board's deliberations will drag out far longer than they need to, especially when the board members are being paid between $200 and $300 a day.

We would like to see some kind of a mechanism to make the board accountable for the length of time that it engages in deliberations and to make sure that its actions are kept at an absolute minimum.

The potential for conflict of interest is also there because claims are not assumed to be reviewed by the entire board but by a panel of three. At least one must be a member appointed to the board from the Council of Yukon Indians and two others are to be chosen by the chairperson. Could this not end with a blatant bias or conflict if all were from the Council of Yukon Indians? There are no rules to the contrary.

If the government is so concerned about allowing aboriginal peoples to have a say in surface and subsurface rights or subsurface uses of the land—I believe there is room for that—I have to question the government's concern over the ability of aboriginals in the Yukon to have a say in land use decisions. This concern apparently does not apply to the Champagne and Aishihik peoples whose traditional territories include the Tatshenshini–Alsek area of northwest British Columbia.

• (1635)

The Champagne–Aishihik people live primarily in the Yukon, but their traditional territories are the Tatshenshini–Alsek area and what is now the Kluane park. Economic opportunities were lost to these peoples when the Kluane national park, also a part of their traditional territories, was created in 1943.

They are now facing the prospect of seeing the Tatshenshini–Alsek designated a world heritage site by the United Nations. This proposal has been submitted to the United Nations, and is supported by the B.C. and federal governments. Our information is that the vote will be on December 14 of this year. If it is adopted by the United Nations it is going to take away Canada's sovereignty and ability to make decisions or reverse decisions on this land for all time.

I recently came into the possession of a letter written by Chief Paul Birckel who represents the Champagne–Aishihik First Nations. He writes to the premier of British Columbia expressing his concern, disappointment and frustration over the fact that the province of British Columbia has designated this area as a class A provincial park, without any consultation whatsoever with the Champagne–Aishihik people.

Now the federal government has come on board by agreeing to support the province of British Columbia having the area designated as a world heritage site. I would like to read a small bit from the letter that Chief Birckel has written to Premier Harcourt:

Therefore, I am requesting that you withdraw the support of your government to the establishment of a world heritage site nomination for the Tatshenshini–Alsek wilderness park area in British Columbia. Until some mutually satisfactory resolution of Champagne and Aishihik First Nations aboriginal rights, titles and interests in the area are dealt with. This area was initially established as a class A provincial park in June 1993. This was done without any consultation with our First Nations. This is a breach of the fiduciary responsibility that is owed by your government and by Canada to our First Nations. Therefore I am appealing to you to withdraw your support for the world heritage site nomination in our traditional area in northern British Columbia.

I believe these people should have as much opportunity to be involved in land use decisions in northern British Columbia as the Council of Yukon Indians is in the Yukon territory. This does not seem to be the case. I urge members on the other side of the House to talk to their heritage minister and the Prime Minister, and get them to agree to withdraw the nomination for the Tatshenshini as a world heritage site at this time. There is no support for it.

In conclusion, this bill is vague in its rules and regulations concerning its principal responsibilities. It mentions minimum requirements for Council for Yukon Indians involvement, but none regarding its maximum. The notion of sufficient negotiation as a pre–requisite for mediation is misleading and has a great potential for favouritism and unfair treatment of some cases and not for others.

The idea of a per diem rate of pay for board members and their contracted staff, while mediating a case, may mask the reality of the formation of another level of bureaucracy for some, but it is the same old game from where I stand.

Nothing is stopping members from dragging out mediations for the benefit of more pay. As well, I am appalled that the government, which preaches democracy, is willing to let the minister of Indian affairs appoint half of the board members from a list of nominees submitted by the Council of Yukon Indians, but not let a similar list of nominees be submitted by the business industry. After all, is this board not meant to fairly mediate the claims of both aboriginals and non–aboriginals? Why then should the business community not be included on the same basis? Why was the business community not consulted on this bill and allowed to state their feelings on it before it is implemented? As I said earlier, they are forced to agree. They have no choice.

• (1640)

The government seems to be finally waking up to the reality that the national debt must be dealt with. We hear more and more talk about it all the time, particularly from the finance minister, but not from everybody else I might add. Since the board adds another level of bureaucracy to the already top heavy government, why then should not the now duplicated positions be abolished?

This is what the Reform Party has been asking of the government since day one, since we first came here last October. Stop duplication. We cannot afford it. Be responsible with the taxpayers' money.

Since the Yukon aboriginals want—and with closure invoked on Bills C–33 and C–34—and have now attained a certain level of self–government, why then do they not assist with the payment for this board which will be mostly made up of and hence representative of their interests? This would be too logical for the government to understand.

I would like to end by urging members who believe in fairness, honesty and accountability to oppose this bill as it portrays the epitome of patronage and racial bias for which Canadians should never be known.

I would like to remind the House that such land claims, self–government and racially segregated mediation boards will set a precedent for future negotiations with aboriginals which Canadian taxpayers will be hard pressed to pay for.

**Hon. Audrey McLaughlin (Yukon, NDP):** Mr. Speaker, I am pleased to speak on this very important legislation, Bill C–55, the Yukon Surface Rights Board Act.

I would like to clarify, since there might be some misunderstanding, particularly with regard to the previous speaker's comments, that this is companion legislation to Bill C–33, the Yukon First Nations Final Land Claims Settlement Act and Bill C–34, the Yukon First Nations Self–Government Agreement Act. Both of these bills were passed in Parliament in the spring session but will not come into force until Bill C–55 is passed in the House of Commons.

As someone who has represented Yukon for seven years and who previously has been very involved in land claims settlement in the Yukon, I urge all members to speedily pass Bill C–55 to ensure that all Yukoners, aboriginal and non–aboriginal, have the tools to move forward with the certainty that is necessary for business, the respect and dignity accorded to First Nations in the Yukon and that will lead toward self–sufficiency of the Yukon territory.

This is a technical bill establishing a Yukon surface rights board which will resolve dispute between parties, guaranteeing access to holdings of private lands. That is an important and key factor here. This board only comes into effect if there are disputes that cannot be reconciled other than through this process. However, there must be a process in place prior to that which will attempt to settle disputes.

This legislation will settle disputes between persons holding surface rights and those holding subsurface rights. It is obviously very important in an area where mining is an extremely important part of the economy. The board will also deal with the amount of compensation for the expropriation of settlement lands and the amount of compensation for pockets of government lands retained within settlement lands.

A number of comments were made previously about the composition of the board. If I recall, the previous speaker said: "it is a racially segregated board".

• (1645)

The previous speaker from the Reform Party is quite wrong. This is a board which attempts to reconcile and to bring together, not to divide as I believe the previous speaker would do, peoples in the territory.

The composition of this board as of many other boards under the land claims legislation passed last spring in this Parliament will include representation by First Nation's people.

Both in consultation on the land claims and self–government legislation and on this legislation, many groups have been consulted and approved of this legislation: the Yukon Chamber of Mines, the Klondike Placer Miners Association, the Mining Association of Canada, the Canadian Association of Petroleum Producers, Prospectors and Developers Association of Canada, the Yukon Territorial Government, all political parties within the Yukon Territory, the Council for Yukon Indians and the Gwich'in Tribal Council.

There have been a number of consultations with a wide variety of business interests, private interests and with the aboriginal people of Yukon.

As with the self–government and land claims legislation, this piece of legislation, Bill C–55, is supported by a number of groups in Yukon that want to see us move forward, that want to see Yukon have the respect and dignity that we should be accorded and to do something very significant not just for Yukon but for Canada.

What we are showing can be done within Canada is that we can respect the languages, the cultures and the historic traditions of all peoples within a certain territory, and we can do it under the flag of Canada.

In this time when there is discussion about the future and integrity of this country surely it should be a source of pride to all members of this House to have participated in this historic piece of legislation, of which this forms the third piece, to resolve these differences, to accommodate, to respect—let me underline respect—all of these factors and do it within a united Canada. This is historic.

I must address an issue raised by the previous speaker I believe from Skeena who made the point and came to the defence of Chief Paul Birckel from the Champagne Aishihik Band. The Champagne Aishihik Band is one of the bands noted in the land claims and self–government legislation. I must assure the member for Skeena that I am aware of a number of meetings that have taken place between the Champagne Aishihik and the Government of British Columbia. He can rest assured that the Government of British Columbia is taking very seriously the issues raised by the band of the Champagne Aishihik.

Where was the member for Skeena when his colleague in the Reform Party stood in this House last spring and called the people of the Champagne Aishihik Band lazy children and called the people of Yukon and aboriginal people peoples who were living in the south sea islands and conditions similar to that? Where was the member from the Reform Party in defending Chief Paul Birckel and the people of that band at that time?

It really is ironic that the member stands in this House today supposedly defending the people of the Champagne Aishihik Band yet last spring stood in this House voting against this very legislation that would enable the people of the Champagne Aishihik Band and other First Nation bands in Yukon to become more self–sufficient and to recognize their historic and traditional rights.

This kind of double talk certainly does not foster the future of our country. We are talking here about how we as a country from diverse regions with diverse languages, cultures and traditions live together. The United Nations has said in the past that we are one of the best countries in the world in which to live. Some in this House would dispute that. Most would not.

• (1650)

This particular piece of legislation completing the land claims and self–government legislation for Yukon respects and fosters the future of Canada, a united Canada and one that respects all peoples.

Pursuant to this legislation there have been some concerns raised, I mentioned earlier the one by the member for Skeena, in implicating that this piece of legislation contains an area of bias. That illustrates the profound difference between the philosophy of the New Democratic Party and the philosophy of the Reform Party. We feel as New Democrats that it is our job as elected representatives in this House, representing Canada as well as our own ridings, to bring people together in a positive way rather than find ways to divide people.

If our country is to move forward in the 21st century the responsibility we as legislators hold in this crucial time leading up to that period we must find ways for provinces, territories, different groups in this country to come together. It is shocking to me that there are people in this House who would undermine that objective.

I believe that the consensus that has been developed in Yukon around this piece of legislation and the companion pieces, Bills C–33 and C–34, illustrates that it is possible to achieve great things in this country. It does not come easily. This has been 21 years in negotiation. There have been many changes. There have been many people from all parts of the community who have been involved, some sadly who are even no longer with us.

With the passing of this legislation and the support of this House we will see a real step forward for Yukon and I believe for Canada.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I would ask the hon. member representing Yukon, and I know that her discourse was passionate and heartfelt, is it better in her estimation to pretend problems do not exist, to consider everything that is done in this House on behalf of the Indians of Canada since the beginning of our recorded history, if the perpetuation of that and the situation that the aboriginals in our country live in today is representative of the kind of compassion that this House has afforded them, if this is worthy of continuing, or perhaps some of the foundations and some of the ideas that this House taken as a self–righteous mantra should be questioned.

**Ms. McLaughlin:** Mr. Speaker, if I understand the member's question correctly I think it is an appropriate question. It is true that this Parliament historically has not respected the First Nations people of this country, historically has implemented legislation which resulted for example in Indians not having the vote until the 1960s. It has passed legislation in the past that has made a distinction between who and who is not an Indian through defining status Indians.

Historic wrongs can be righted. What is being acknowledged in this legislation is the right of First Nations people who were not defeated in a war, who were not a conquered people, to the lands which they occupied before both the hon. member's and my ancestors came here.

The honour in this form of legislation and the honour that comes to this Parliament with this legislation is that we can acknowledge that those were historically wrong decisions made in the cultural context of the time and that it is possible to address those in a way that benefits First Nations people, acknowledges their rights and responsibilities, but also, as do this legislation and the companion pieces, Bills C–33 and C–34, serve to enhance the rights and responsibilities of all Yukoners.

• (1655)

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, I would like to make a couple of comments and then I ask a question of the hon. member for Yukon.

I would like to say that because the Reform Party and I in particular was against the legislation that was in front of the House, it does not mean that we are against resolving land claims. We are against the kind of land claims that have been brought in front of this House today for the reasons that I outlined: the generosity of the agreements, the fact that it created more bureaucracy and the fact that entitlement to existing programs was guaranteed in perpetuity under those agreements.

If the hon. member is as concerned as she appears to be for the welfare of native people, maybe she will join with me and go and talk to her friends in Victoria who have designated the Tatshenshini–Alsek area a world class park, a class A provincial park. Then maybe she will join with me in trying to convince our friends across the way that we will withdraw the nomination to declare that area a world class heritage site.

I ask the hon. member will she join with me in those efforts?

**Ms. McLaughlin:** Mr. Speaker, certainly I again think it ironic that the member for Skeena has suddenly discovered the interests of the First Nations people of Yukon. I can assure the member that as the representative for Yukon, representing all of the people of Yukon, Chief Paul Birckel has been very effective in making his views known to the British Columbia government. The British Columbia government has responded.

While I am the representative of the Champagne Aishihik band in this House, I have always been extremely impressed and respectful of the ability of Chief Paul Birckel and the Champagne Aishihik band to very effectively represent themselves. Again I underline this is one of the four bands in the legislation that came before this House in the spring. I think it would have made the argument of the hon. member for Skeena much stronger had he supported the Champagne Aishihik band at that time.

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, last week in this House the minister of Indian affairs indicated that the Reform caucus had never supported an aboriginal bill in this House. Last week we had already supported Bill C–36, the Split Lake Cree agreement in northern Manitoba. That went through third reading and we supported it at third reading last Friday.

The member for Yukon stereotyped our caucus in her speech and the member for Yukon would be the first one to complain if anyone else were to do any stereotyping. I would like the member for Yukon to answer to that.

**Ms. McLaughlin:** Mr. Speaker, I think the people who were stereotyped here were the First Nations by the member who called them lazy children and their treatment being like a south sea island. I am greatly disappointed in the leader of the Reform Party who then promoted that member to the front benches.

[*Translation*]

**The Acting Speaker (Mr. Kilger):** 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 Burnaby—Kingsway—Human Rights; the hon. member for Chambly—Customs Brokers; the hon. member for Notre–Dame–de–Grâce—VIA Rail; the hon. member for Kindersley—Lloydminster—Ethics.

[*English*]

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, it is a privilege and an honour, maybe with a bit of hesitation, to speak to this bill today.

• (1700)

As I was listening to the hon. member from Yukon, I threw a few pages from my speech away. I thought I probably did not have the insight into native land settlements or land agreements, but I do have some insight into what division means and I do have some insight into what co–operation means.

As a farmer I must say I have never seen any farm operations succeed when they started dividing and becoming independent. When a father owned all the property and all the machinery and had control of the situation, the family usually worked together very well. There was very little infighting. However when some of the members felt that their wisdom was probably greater than that of the founder who had built the corporation or the company and they wanted to divide and become separate little nations, it seemed to run into problems.

Sooner or later the governor was neglected. They were setting up boards which consisted of neighbours trying to settle disputes in the farming operation. Generally there was conflict. There was hurt. Usually it wound up that family members did not even want to see each other or recognize each other as being in the same family.

It really worries me when we start addressing our problems by creating separate little nations. We have talked so much about the Quebec issue. I have explained very often in this House that unity cannot be created by division. That seems to be so contradictory. That is one thing we are missing with these bills.

I was very much opposed to Bill C–33 and Bill C–34 for one very simple reason. I did have those bills analyzed by some of my native friends. I asked them to give me direction on how I should vote on those two bills. The feedback I got was: "If you vote for Bill C–33 and Bill C–34, I will lose my hunting rights. I will lose my fishing rights that I had in this great country of ours. From now on I will have to go and ask each individual nation to have those privileges". That really hit home to me. How is that type of feeling going to solve the problems of what happened probably a century or so ago?

The other problem I had with these bills was the way they were debated and the way they were rammed through this House. When true democracy is neglected it generally is the beginning of human rights violations and the beginning of unrest and civil disobedience which in a lot of cases ends in revolt or revolution. That is happening now in eastern bloc countries.

After being in the Soviet Union in 1990–91 and looking at the conditions some of the native people enjoy today, I wonder what we are grumbling about in this country. No matter where we live in this great country of ours today, we have nothing to complain about. We have not got people starving. We have not got people freezing to death for lack of clothing. We have not got people killing each other just so they can get to the food supply.

We have a federal government today that has a great desire to treat everybody equally. The government in previous years has not only passed laws that are supposed to work against discrimination, it has passed laws that are going to be guaranteed under the Charter of Rights and Freedoms. When I see that now we are creating separate nations and these laws that work so well are not going to be applicable, what are we getting into?

• (1705)

When I look at this bill that is setting up a board with 50 per cent of the people appointed by the Yukon natives council and 50 per cent by the federal government, I wonder why. I own property and there are all kinds of acts that protect my rights should the mining companies or oil drilling companies want access to that land. If I am not happy with the decision these acts force upon me I have the full right to go to the Supreme Court of Canada but I am also liable for the costs that are incurred through that. That is one deterrent I think is very effective in avoiding a lot of disputes we would probably otherwise have.

It seems to me that this board will have the power to make some decisions. If the First Nations do not feel the decision is right, they can appeal to the Yukon courts. If the First Nations feel that ruling has gone against them, what happens then? Do they go to the Supreme Court of Canada? Are the laws enforced by the native law enforcement agency or the Canadian law enforcement agency? This is something that really bothers me because I am sure there will be disputes where the resolution will not be acceptable to either side and law enforcement will have to be used.

I listened to the hon. member for Churchill the other day when he said: "My people have made a commitment that we want to live in peace and enjoyment of the land and the resources with generations in the future". How does that pertain to these land settlement claims or independent nations? "We want to live with each other, we want to co–operate but we want to separate". To me that is a recipe for disaster.

When I try to analyze these bills in light of my own experiences with other situations, I must say we are binding our future generations to dispute after dispute after dispute. It does not seem possible that these boards under the conditions in which they are set up will ever be able to be disbanded. We will continually have problems in developing these huge tracts of land.

We in the Reform Party are so often classified or stereotyped as not being beneficial to other people. Personally I would rather donate half of my resources to the next generation than to find out in later years that my children or their children are fighting and forcing a settlement on each other.

We see that happening today in the former Yugoslavia. All of a sudden they have decided they can live better as separate little nations. It takes foreign countries to come in and try to solve the disputes.

• (1710)

I would never be able to rest in my grave if I were party to some agreements that in the future should have to be resolved by military force or by some other type of unlawful activity as I would call it.

I think back to the 1940s. I can remember the situation right after the 1930s and how the white people in our community and the native people shared their assets and their food because everybody was in a tough situation. If we could get back that type of concern I do not think we would be talking about these huge land settlement deals.

It worries me when I see $8 billion to $10 billion being paid to our native brothers every year and we are not being given one little bit of recognition for that.

**Ms. McLaughlin:** We have sisters.

**Mr. Hoeppner:** Well sisters, brothers, whoever it is. I would think that the government has never been able to print money. The government's money comes from the taxpayers and it only comes from taxpayers who are working and sharing it with other people. If that $8 billion to $10 billion is not sharing I would like to know how much it would take before it was called sharing.

Right now with the attitude of the sharing that our government has had, we are in debt to the tune of $550 billion which some day either the native children or my children will have to repay. How this is going to be accomplished I do not know, but I wish the hon. member for Yukon could give me some suggestions. I would surely support her in any way that we could resolve that issue so that it could be settled in some better way.

Eventually when financial disaster does come upon a nation it creates a lot of other problems. That is one thing we have to realize with all these settlements. If we are going to be fair to future generations we had better be fair to the generations here today. We will be forcing them to pay something we were not willing to pay.

With that I will close my remarks. I wish this House would make some decision that would not just benefit us today but that would also benefit future generations.

**Hon. Audrey McLaughlin (Yukon, NDP):** Mr. Speaker, the hon. member talked about "laws that worked so well over the years". I wonder if the member was talking about the laws that established residential schools, or the laws that resulted in aboriginal children being taken away from their parents. Would it be the laws that prevented aboriginal people from voting? Would it be those laws that took away the right of aboriginal people who fought for their country or became a doctor or a lawyer to be identified as a status Indian?

The member is so much against this bill and its dispute settlement capabilities. As a member of the Reform Party that supported, ill advised I would suggest, the U.S.–Canada trade deal and NAFTA, does he think we should do away with the dispute settlement mechanism in that trade deal?

**Mr. Hoeppner:** Mr. Speaker, I am quite convinced there were laws and institutions that abused our native brothers and sisters. It makes me very sad that I lived to pay testimony to that.

• (1715)

I think through some of the law reform that we have had we are at a stage now where that should not happen, not nearly as easily.

I would also like to remind the hon. member for Yukon that the white people were not always here. I read in history where there was self–government by these native people. They did also have problems. They had a right at that time to live very peacefully. They had a right to live without starvation. When we read the history books it did happen.

I am not blaming them for that but we have to realize that through history there have been problems. As we have learned from these problems I think we have become wiser. That is what we have experienced through the thirties and the forties probably where a lot of abuse was happening to these First Nations and it makes me very sad that it did.

I also note that if we are going to pass laws and make commitments which we have to honour with future generations' wealth we are asking for severe problems and a lot worse conditions in this country than we have today.

**Ms. McLaughlin:** Mr. Speaker, the member is against this bill which has a dispute settlement mechanism. Would he also say that because the trade deal between Canada and the U.S. has a dispute settlement mechanism it should be done away with as well?

**Mr. Hoeppner:** Mr. Speaker, I would say if we had one government and the same laws we would not need that trade dispute settlement mechanism. Here we are creating more governments, more laws and we are forcing more dispute settling mechanisms on our society.

If we were one nation with the United States we would not even have trade laws. This is a very good example. If we were a North American community we would probably have some of these problems resolved before they ever happened. Because we are different nations we fight for each right. It is only natural.

That is why I tried to explain that when a father allows his son to go into different operations usually it brings problems with it. That is what I have been trying to point out. Division does not create unity and unity does not create division.

[*Translation*]

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, I am pleased to participate in the debate on this bill. Considering that we supported Bill C–33 and Bill C–34 on self–government and land claims in the Yukon, it will come as no surprise that we will also support Bill C–55.

I want to use a different approach regarding this issue. I have my own way of dealing with native issues. I do not claim to have a new approach, but I do think it is important to go and meet those who have been the victims of injustices for a long time.

Consequently, I have been to the Yukon and I would like to tell you about the attitude and the atmosphere which prevail there following, among other changes, the passing of the two aforementioned bills in the previous session, as well as the anticipated passing of Bill C–55.

It was my first visit in the Yukon, and I was accompanied by my 13–year–old daughter, who was discovering the western and north–western regions of the country. We were both amazed at the beauty of this place and astonished to see how people had settled here well before we came and shared such a lovely country. The Yukon River, for instance, is extraordinarily beautiful. When I went there, during the summer, the glaciers were melting, and this produced a kind of blue I have never seen in our rivers here in Quebec. It was fascinating to see the beauty of the countryside and also the wonderful atmosphere of the way of life in the Yukon.

• (1720)

I had read about the gold rush in the Klondike, and about what today is called Dawson City, and I had a chance to go there and see how mining operations destroyed some of this lovely countryside when they ruthlessly extracted the riches that were there, riches that did not necessarily benefit the First Nations.

I also discovered what was for instance the midnight sun, something we do not have here, but they do over there. The native people took me to the top of a mountain, The Dome, and at 11.30 p.m., I saw the sunset. I was both impressed by the sight and touched by the people's gesture.

Another surprise was the warm welcome I received. We saw this tremendous capacity of Canadian native people and aboriginal people throughout the world to share what they have. These people do not feel they have been conquered. They see themselves as the first occupants and consider that the arrival of the Europeans was an opportunity for them to share their territory and their wealth.

Unfortunately, as a result of the greed of the Europeans, because that is what it was, what we did at the time was to establish a kind of social contract with these people: We will take care of you, we will take 95 per cent of your wealth and confine you to reserves and we will pay for whatever you need. This caused a lot of problems, and I will get back to this later on, but in any case, we can say that this was a case of blatant injustice which we are now trying to remedy here in the Yukon, to some small extent.

We started with the two bills I mentioned earlier, and now Bill C–55, which will make the two other bills operational, so that we are now waiting to pass Bill C–55. As I said before, C–55 makes the two other bills operational and also brings a measure of justice to these people.

In fact, people have recognized for decades, for centuries even, that there was an injustice. The native peoples realized that there was an injustice, and 21 years ago they began a process of negotiation leading to the adoption of two bills prior to this session and to the consideration of the bill before us, Bill C–55, which as I have said will make the two earlier bills operational.

I think it worth reflecting for a few moments on the first two bills. What exactly is self–government? Many are seeking a definition, but is an exact definition important, when it can mean different things to different people? I turned to the dictionary and found that self–government has to do with the importance of being politically independent to direct one's own destiny.

We have several examples, at the present time, of the non–performance of the Indian Act. Lengthy speeches are not necessary. In terms of socio–economic development, native peoples are probably the most disadvantaged group of people in Canada. And this morning I was present when the health committee noted the seriousness of the health and social problems they face.

The simple fact is that the social contract that existed at the time to take responsibility for native peoples and their wealth is no longer tenable and never was, and we are correcting the situation. Do aboriginal peoples want to take part in this process? I believe they do. If we are speaking about Yukon, there is a desire to take responsibility for their own lives, and I would say this is the case in most of Canada. Native peoples are themselves realizing that the government can no longer effectively pay for them and provide paternalistic protection, while at the same time respecting their particular conditions and values.

I believe that in the Yukon, as elsewhere, native peoples are realizing that the solution to their problems is through self–government.

• (1725)

The will of the natives to assume responsibility for themselves is there. The feeling I get from the government of Canada is one of wanting to withdraw from the Indian Act. I think the minister did make announcement to that effect also. Of course, this is not going to happen overnight. Pilot projects are under way, in Manitoba for example, to examine the possibility for First Nations to withdraw from the Indian Act.

But resolving the self–government issue would go a long way toward solving the problem of withdrawing from the Indian Act, so that the government can go ahead with the dismantling as soon as possible. On this subject, the minister and the government have referred to their intention to put an end to their trusteeship over Indians. The Bloc Quebecois will keep a close eye on this. The government has ventured to say that it should be abolished. Now, we in the Official Opposition will make sure that this is done properly.

It has to be done with respect for the cultures involved. On our side, we are from a European background originally. The aboriginal peoples were the first inhabitants of this land. How do we reconcile all of this? Our self–government negotiation process actually leads to this. It leads us to say: "What can be devolved in terms of autonomy, level of activity, legislation?" Such choices should allow them to live in harmony with us and be in keeping with our legislation.

I think that the kind of agreement we have before us indeed provides a middle ground that enables the First Nations to steer away from the Indian Act, to assume responsibility for themselves and to live in perfect harmony with our laws. They also attach a great deal of importance to gaining control over their own administration because their health system, for example, is not the same as ours. They have a much more holistic approach to health. They are more prone to using healing circles, a much more gregarious approach than the curative approach we currently have in Canadian society.

The same with justice. We note that, in extremely remote communities, they often have their own law enforcement system. Healing circles take charge of young offenders or individuals with adjustment difficulties. They solve the problems they encounter themselves. We are not even aware that when we barge in with our way of looking at the situation it often is inappropriate and just makes the problem worse.

All this to say that, to deal with self–government, we have this bill and it is important to have such a bill. It will also be important to implement it.

How do we go about it? The hon. member who spoke before me said, "We give them $8 billion a year". It is not quite $8 billion; I think it is around $6 billion. But if we want this to end, we must help them take control of their own destiny.

We need a territory that is large enough and contains enough resources so that we can stop spending millions of dollars on education, health care, etc., and let them take control of their own destiny. That is why we will allow them to tax or collect royalties from all their lands. Giving them land in the Yukon is a solution which, I think, will allow them to develop their own territory to compensate for the shortfall due to the withdrawal of our financial assistance.

Compensation in the order of $242 million will enable these people to make their decisions now. These people will no longer have to deal with federal officials trying to impose their programs. They will create their own programs, which I think is something worth mentioning.

We must, of course, have confidence in these people. I have confidence in them because I have seen them in action. I have seen how serious they are about taking control of their own destiny. I think that we must simply recognize that the First Nations will be in a much better position than federal officials in Ottawa to implement programs and that we must trust them.

Quebec is in a good position to help in this regard. The James Bay Agreement and the motion passed by the National Assembly show that Quebec can be proud of being a pioneer in the transfer of powers to aboriginal nations. I see Quebec's James Bay Agreement as a model which, in my opinion, has been used for many existing agreements on self–government.

• (1730)

I remind you that this model was entirely financed by the Quebec government. The takeover and the relationship between the native community and the Quebec government are getting closer. This is demonstrated by the way Quebec's current government is handling joint management with the natives. Important and judicious negotiations are continuing in this regard.

Before moving on to the content and clauses of Bill C–55, I must mention a few things that I find regrettable. I do not want to appear overly critical to my friends from the Reform Party, but it must be noted that immigrants, in my opinion, are not very respectful of Natives. I am willing to give them the benefit of the doubt and say that there are financial and territorial implications to be looked at, as we are doing in committee and right here, but we know at the outset that they have no respect for natives taking control of their own destiny or for their ability to do so.

I listened to the speeches made by some members, including the hon. member for Okanagan—Shuswap, who does not think that any native group should be given self–government rights

exceeding those of municipal governments. I am sorry, but they were here first. They are more than municipal governments.

In our parliamentary guide, we in the Bloc Quebecois say that these people are entitled to self–government. They are nations, just as there is a Quebec nation, an Anglo–Saxon nation, an Acadian nation; there are native nations and it is important to point that out.

The previous speaker said that he was afraid for his fishing and hunting rights. We can all say that the arrival of Europeans here upset their hunting and fishing rights as well. It is the wrong approach to say that reviewing the rules of the game will prevent us from hunting and fishing in the Yukon. I myself have gone there and I invite the hon. member to go there too.

I was taken fishing. It did not prevent me from being very well received on native territory. I could well have been told that those resources belong to the native people and that I was not welcome. On the contrary. As we have seen over the centuries, native people know how to share and I was glad to be invited to go and fish there. I think that fishing and hunting rights will be maintained.

I also heard Reformers call them spoiled children. I heard the Reform Party compare them to people on southern islands. I gave you some statistics and opinions a while ago: that is false. People who live near the 60th parallel are not vacationers. They are not on a holiday, when you realize that unemployment is 50 per cent. People on holiday do not care about the unemployment rate, they can afford a trip south.

Many of these people cannot afford as much and I think that the kind of example put forward by the Reform Party does not help the debate. I admit that there may be reasons or financial arguments but it is harder for me to accept arguments based on mistrust of native people.

On Bill C–55 as such, what is interesting in this bill is that a board is created to settle disputes. Settling disputes is important because there are issues involving trappers and mining and forestry companies. These people will certainly have disputes at some point. Bill C–55 will give the native people, who will be well represented on the board, a means to settle such disputes. It is much better than what we have in the rest of Canada. I think that the failures elsewhere in Canada must have inspired the bill now before us.

• (1735)

The example of Split Lake comes to mind. Indeed, even if an agreement was reached with one of the nations, the whole water system of that part of the country was affected and these people have practically no recourse, except arbitration. If there was a board located closer to them, such disputes would be solved much more quickly.

The Bloc Quebecois will pursue its work in committee. Obviously, we support Bill C–55, although there may be room for improvement regarding certain provisions. We will do our work seriously. We will review the bill and we will examine it more in detail at the committee level. At this stage, the Bloc Quebecois can only support that legislation. After all, we made speeches to support these people in Yukon who, for generations, put all their hopes in a successful negotiation process, before finally seeing their dream come true in the last session of this Parliament. Under the circumstances, it would be very inconsistent to now oppose Bill C–55.

I want to say that both myself and my Bloc colleagues have confidence in native people. We do recognize, for example, that they were the first ones here, that they deserve more respect, and that they should have full control of their destiny. And to recognize those things implies a great deal of confidence. But we do have total confidence in native people.

Programs which, until now, were run in Ottawa will now be administered much closer to native communities, and I hope to never again hear negative, if not nasty, comments about natives. These people follow the debates of the House of Commons and I think that they sometimes have a wrong impression of parliamentary democracy. Their own approach is based on reaching a consensus but, more importantly, they are guided by a profound need for respect.

I am among those who have the greatest respect for native people. I do recognize that they were subjected to many injustices and these have to be corrected. The previous bills corrected those injustices, and Bill C–55 will confirm the autonomy of 14 First Nations in Yukon. Four of them have reached agreements, while ten others are in the process of doing so. They will be heading for self–government and I know they will take care of their communities, because I trust them on this issue.

I think the federal government will be able to save some money by granting the native people a land base that will help them grow and become much more self–sufficient.

Of course, since I am from Quebec and well–versed in independence issues, I fully understand why a First Nation or some First Nations would want their independence, and this is why we are extremely pleased to support Bill C–55, although we will want to clean up the legislation to ensure that the bill reflects our vision. As far as the substance of the bill is concerned, we think that self–government for the people in Yukon and elsewhere is very important and we are pleased to tell the Yukon residents who are watching us, the native peoples in Yukon, that the Bloc Quebecois will support Bill C–55.

[*English*]

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, my Bloc colleague from Saint–Jean who just spoke in my view painted some scenarios essentially that do not exist and painted scenes of conflict where it does not exist.

We have talked on many occasions about a municipal style of self–government in committee and in this House. I also talk about it quite publicly.

• (1740)

We have a living example in the province of British Columbia with the Sechelt band. That form of self–government has proven for that particular band to be very progressive. It is what the people want and they are thriving under that form of self–government.

There is no reason to suggest that form of self–government would not be a very appropriate form of self–government in many other jurisdictions. I want to set the record straight in that area.

What we have heard here is the Quebec provincial agenda being promoted on the rest of Canada. The Bloc is not proving to be the steward of federal or other provincial resources. When I heard the member talking about James Bay what I heard was a promotion of 100 per cent provincial involvement in these issues. I find that to be a contradiction in terms as to what we are talking about today. Perhaps my colleague could offer some clarification in that area.

[*Translation*]

**Mr. Bachand:** Mr. Speaker, I want to tell my colleague who also sits on the aboriginal affairs committee that what I quoted the hon. member for Okanagan—Shuswap as saying is not intended to indicate that there is no possible application of the municipal model. I merely quoted the hon. member for Okanagan—Shuswap as saying that no aboriginal group should be given rights to self–government exceeding those of municipal governments.

If a municipal government model applies, as it seems to be the case with Sechelts, then it is fine. But I do not think it is appropriate to put First Nations on the same level as municipal governments. That is all. I did not reject the municipal model. I only rejected the terms used by the hon. member for Okanagan—Shuswap.

As for the James Bay case, I must reiterate that it continues to be a model according to me and to the Bloc Quebecois. The Canadian government did not invest any money in it. This was promoted directly by the Quebec government and I do not think we have some secret agenda that we would want to hide from the Reform Party. As we know, the Quebec government has close ties with them. They have their own way to deal with issues. Here, at the federal level, we do things differently.

We examine all proposals and legislation before us on their merit and, of course, sometimes we suggest amendments and sometimes we support some bills. We even sometimes reject legislation. But this does not mean that we have a secret agenda. We only want to work with the aboriginal people and to get the best results possible, based on mutual trust.

[*English*]

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, on debate rather than questions and comments, I would forego a moment of my time and ask the member for Saint–Jean, who was so effusive in his praise for the settlement in C–33 and C–34 I believe it was, that this legislation enables, if he would then use this as a model for a land settlement with the northern Quebec Cree on exactly the same terms, exactly the same conditions, exactly the same land base, exactly the same surface and subsurface rights and exactly the same money.

[*Translation*]

**The Deputy Speaker:** Since a question was asked before the hon. member began his speech, I will authorize the hon. member for Saint–Jean to answer.

• (1745)

**Mr. Bachand:** Mr. Speaker, I must admit that James Bay is indeed a model, but self–government cannot be applied everywhere from Halifax to Vancouver. We can see that a form of self–government respecting their past and their traditions is working for the Sechelt Band. Another formula was applied to the James Bay Crees and we can come up with yet another formula for Northern Quebec.

So, when we negotiate with the Northern Inuit, we will see how to apply self–government to their case by listening to what they have to say and what proposals they put forward during negotiations. Thus we will be in a position to react. I simply want to say to my colleague that there is no single way to implement self–government, there is no predetermined framework. Self–government is function of the tradition of the First Nations to whom it applies as well as of the climate that prevails in their negotiations with the governments.

[*English*]

**Mr. McClelland:** Mr. Speaker, could you tell me the time that I have.

**The Deputy Speaker:** The member has 20 minutes but there is a bell at six o'clock.

**Mr. McClelland:** Members of the Bloc are always quick to say what we should do, how we should do it and with whose money we should do it. However when it comes around to whether or not it is good for them, all of a sudden we see people slip and slide. It is absolutely amazing. We certainly cannot nail them down in the House on anything they would do. I congratulate them on their ability to tap dance around issues that have to be talked about, that have to be addressed. In fairness, when all

is said and done it is my hope and desire that members of the Bloc will be living with it because we will continue to be Canadians one and all together. That is my greatest hope.

I also thank the hon. member for Yukon for participating in the debate. She brought another perspective to the issue. We sit through these prepared speeches and we listen to what each other has to say about various issues. However when someone can inject a little emotion into the debate it tends to make the debate much more interesting. The member injected some emotion into the debate. She called into question the motivation of specific members of my party as individuals and the party as a whole. I think she cast unfair aspersions on what our role or our function is in Parliament.

I would ask if there is anyone in the whole country, including members of the Bloc, who could think for even one second that what we as Canadians have done to our native brothers and sisters is something we should be proud of. I am wondering if anybody here thinks it is something worthy of repeating.

When a party comes into the House and questions the wisdom of legislation brought forward by the government, first that is its job. Second, maybe there is something to be learned from it.

The fact of the matter is that as an individual I did not become sensitized to the situation of Indians in our country yesterday or when I was elected. I live in western Canada. I was brought up and lived among Indians and with Indians going to school with me who lived in residential schools. We played together. We had fun together. We have relations together through marriage and adoption. We are in a much closer relationship with Indians in western Canada than exists in other parts of the country. It is very much part and parcel of our daily lives in many instances. It is absurd to suggest that somehow it is anti–Indian or racist because our views do not match government legislation or the views of an interest group or someone who is going to benefit and we question it. It is our function. It is our job. It is our duty to question legislation. It is what all of us are supposed to be doing.

• (1750)

If we did that more often, members on the government side and members on the opposition side, and not just automatically salute the flag because it is on the pole, maybe we would not be in the miserable condition we are as a country with debt that we cannot possibly pay in our generation. Our generation and the generation before us got us into this mess.

If we are bankrupt as a nation for our boneheaded decisions, does it matter whether we are bankrupt Indians or bankrupt non–Indians? Does it matter if we are bankrupt immigrants? If our country does not have the funds to pay our commitments, does it matter where we came from? It does not. We have to start thinking in terms of our responsibilities to future generations, not to the next election.

As I mentioned earlier, I received a letter from a constituent the other day which said that the difference between a statesman and a politician is that a politician looks to the next election and a statesman to the next generation. Maybe we should be spending more time thinking about the next generation, less time about the next election, and a whole lot less time trying to make political points or political hay out of misrepresentation just so we can win another election. It is demeaning and it is below the dignity of the House.

Another question in the debate is our relationship with Indians in Canada. We have to go from this father knows best Department of Indian Affairs and Northern Development making all the decisions and put the responsibility for decision making with the people affected by it. There is nothing, at least in my opinion, that will do more to create self–sufficiency and self–respect, the cornerstone of advancement, than responsibility.

We cannot give people vast or even small sums of money and say: "There is more where this comes from. Don't worry about being responsible about spending it and looking after it. It is a bottomless pit". We have to give with the opportunity to generate wealth and income the responsibility for doing it. If we are not prepared to do that we are not going to achieve anything.

Before we start doing all this, let us start figuring out a way to dismantle the Department of Indian and Northern Affairs and pass off the responsibility to the people to whom it should be given, that is the Indians themselves. The cornerstone upon which success will be built is self–respect and pride.

I would like to spend a couple of minutes talking about another situaion, the whole notion of two row wampum. Last winter a group of Indians were demonstrating in front of the West Block and around Parliament Hill. Last winter in Ottawa was brutally cold. After about three days of these people standing around trying to get attention I looked at them and thought they really had to care about what they are doing to stand around in the cold and not hire somebody to do it for them.

I talked with them for a while and got to know a couple of the people involved. One fellow in particular, Stuart Myiow, was from Akwasasne. He is the publisher of a small newspaper, *The Eagle's Cry*. He wanted to get the attention of parliamentarians because he said we had broken the two row wampum, which means equal but separate. It means that they cannot have their feet in two different canoes at the same time: when Indians take on the mantle of the white man they are no longer Indians. How can they be both? According to him it brings out a whole host of social problems, identity problems, and problems in how they are going to go forward into the future.

• (1755)

It caused me to think about the difference between collective rights and individual rights. Perhaps we basically have grown up understanding and valuing individual initiative and individual rights.

It is my experience that not all but many Indian bands and many Indians are far more collective in the way they relate to each other and to society as a whole. If we are ever to bridge this chasm and get on to the future, in my opinion we are going to have to respect the tradition of the Indian people to the sense of collective responsibilities.

This means, as the hon. member for Saint–Jean mentioned earlier, that perhaps the justice system we have brought to North America is not suitable to the Indians. The recidivism rate among Indians is far higher than that in the general population. Indians in Canada comprise something like 5 per cent of the population, yet they are something like 25 per cent to 30 per cent or even more of incarcerated people. It is vastly disproportionate. In that case we should be looking at non–traditional means of changing the habit through what is being attempted now in the west: sweat lodges and the belief in the collective meting out of justice.

We certainly are in opposition to the particular bill, not because of the fact that it sets up a dispute settling board. Obviously that is needed and it is patterned after the one in Alberta anyway. We are in opposition because we are in opposition to Bill C–33 and Bill C–34 which this bill enables. We are in opposition not to create problems for the Indians but because we want some real solutions. In this debate we want to talk about real issues and to deal with things as they are, not as we would wish them to be.

We have to understand that there are all kinds of vested interests in the debate, not just the vested interests of the department of Indian affairs, people in Parliament, Indian bands or leaders of various Indian bands. We did not get into this situation by accident. We got into this situation because we were cross–threaded in everything we have done as far as the Indians are concerned ever since day one.

More of the same is not going to get us out of the mess we are in. We need fresh thinking. We need new vision and, above all, we need to question every move and every word that comes out of the Liberal government which got us into this mess in the first place.

## CANADIAN ENVIRONMENTAL ASSESSMENT ACT

The House resumed from October 31 consideration of the motion that Bill C–56, an act to amend the Canadian Environmental Assessment Act, be read the second time and referred to a committee

**The Deputy Speaker:** It being 6 p.m., pursuant to Standing Order 45(5)(a) the House will now proceed to the taking of the deferred division on second reading of Bill C–56, an act to amend the Canadian Environmental Assessment Act.

Call in the members.

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

(*Division No. 95*)

YEAS

Members

Adams
Allmand
Anderson
Assad
Augustine
Bakopanos
Bellemare
Bernier (Beauce)
Bethel
Blaikie
Bodnar
Boudria
Bridgman
Brown (Oakville—Milton)
Bélair
Calder
Chamberlain
Chatters
Cohen
Collins
Copps
Culbert
de Jong
Dromisky
Duncan
Eggleton
Epp
Finlay
Forseth
Fry
Gagliano
Gallaway
Gerrard
Godfrey
Graham
Grey (Beaver River)
Hanger
Harb
Harper (Simcoe Centre)
Harvard
Hermanson
Hill (Prince George—Peace River)
Hopkins
Ianno
Irwin
Jennings
Jordan
Keyes
Knutson
Lastewka
Lee
Loney
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Marchi
Martin (Esquimalt—Juan de Fuca)
Mayfield
Alcock
Althouse
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Benoit
Bertrand
Bevilacqua
Blondin–Andrew
Bonin
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Brushett
Caccia
Catterall
Chan
Clancy
Collenette
Comuzzi
Cowling
Cummins
DeVillers
Duhamel
Dupuy
English
Finestone
Fontana
Frazer
Gaffney
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gauthier (Ottawa—Vanier)
Gilmour
Goodale
Gray (Windsor West)
Grose
Hanrahan
Harper (Calgary West)
Hart
Hayes
Hill (Macleod)
Hoeppner
Hubbard
Iftody
Jackson
Johnston
Karygiannis
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Malhi
Manning
Marleau
Martin (LaSalle—Émard)
McClelland (Edmonton Southwest)

McCormick
McLaughlin
McTeague
Mills (Broadview—Greenwood)
Minna
Murray
O'Brien
Parrish
Penson
Peters
Pickard (Essex—Kent)
Reed
Richardson
Riis
Robichaud
Rock
Schmidt
Scott (Skeena)
Sheridan
Simmons
Solberg
Speller
Stewart (Northumberland)
Strahl
Taylor
Terrana
Thompson
Ur
Vanclief
Volpe
Wayne
Williams
Young
McKinnon
McLellan (Edmonton Northwest)
Milliken
Mills (Red Deer)
Murphy
Nault
O'Reilly
Patry
Peric
Phinney
Ramsay
Regan
Rideout
Ringuette-Maltais
Robinson
Rompkey
Scott (Fredericton—York—Sunbury)
Shepherd
Silye
Skoke
Solomon
Steckle
Stinson
Szabo
Telegdi
Thalheimer
Torsney
Valeri
Verran
Wappel
White (Fraser Valley West)
Wood
Zed—180

## NAYS

Members

Bachand
Bergeron
Bouchard
Canuel
Chrétien (Frontenac)
Dalphond-Guiral
Debien
Dubé
Dumas
Godin
Guimond
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Mercier
Nunez
Picard (Drummond)
Pomerleau
Sauvageau
Tremblay (Rimouski—Témiscouata)
Bellehumeur
Bernier (Mégantic—Compton—Stanstead)
Bélisle
Caron
Crête
Daviault
de Savoye
Duceppe
Gauthier (Roberval)
Guay
Jacob
Landry
Laurin
Lebel
Leroux (Richmond—Wolfe)
Marchand
Ménard
Paré
Plamondon
Rocheleau
St-Laurent
Venne—44

## PAIRED MEMBERS

Members

Asselin
Brien
Discepola
Lefebvre
MacAulay
Manley
Peterson
Tremblay (Rosemont)
Bernier (Gaspé)
Deshaies
Fillion
Loubier
MacDonald
Ouellet
Pillitteri
Walker

• (1825)

**The Deputy Speaker:** I declare the motion adopted. Accordingly the bill stands referred to the Standing Committee on the Environment and Sustainable Development.

(Bill read the second time and referred to committee.)

**The Deputy Speaker:** Pursuant to order made Thursday, October 27, 1994, the House will now proceed to the taking of the deferred division at second reading stage of Bill C-53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts.

* * *

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from October 28 consideration of the motion that Bill C-53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read the second time and referred to a committee; of the amendment; and of the amendment to the amendment,

(The House divided on the amendment to the amendment, which was negatived on the following division:)

*(Division No. 96)*

## YEAS

Members

Ablonczy
Bachand
Benoit
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Bridgman
Bélisle
Caron
Chrétien (Frontenac)
Cummins
Daviault
de Jong
Dubé
Dumas
Epp
Frazer
Gilmour
Grey (Beaver River)
Guimond
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Jennings
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
Mayfield
McLaughlin
Mills (Red Deer)
Nunez
Penson
Plamondon
Ramsay
Robinson
Sauvageau
Scott (Skeena)
Althouse
Bellehumeur
Bergeron
Blaikie
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Dalphond-Guiral
Debien
de Savoye
Duceppe
Duncan
Forseth
Gauthier (Roberval)
Godin
Guay
Hanger
Harper (Calgary West)
Hart
Hermanson
Hill (Prince George—Peace River)
Jacob
Johnston
Landry
Laurin
Lebel
Leroux (Richmond—Wolfe)
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mercier
Ménard
Paré
Picard (Drummond)
Pomerleau
Riis
Rocheleau
Schmidt
Silye

Solberg
St-Laurent
Strahl
Thompson
Venne
Williams—93

Solomon
Stinson
Taylor
Tremblay (Rimouski—Témiscouata)
White (Fraser Valley West)

## NAYS

Members

Adams
Allmand
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bernier (Beauce)
Bethel
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bélair
Calder
Chamberlain
Clancy
Collenette
Comuzzi
Cowling
DeVillers
Duhamel
Eggleton
Finestone
Fontana
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Godfrey
Graham
Grose
Harvard
Hubbard
Iftody
Jackson
Karygiannis
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Malhi
Marleau
McCormick
McLellan (Edmonton Northwest)
Milliken
Minna
Murray
O'Brien
Parrish
Peric
Phinney
Reed
Richardson
Ringuette-Maltais
Rock
Scott (Fredericton—York—Sunbury)
Sheridan
Skoke
Steckle
Szabo
Terrana
Torsney
Valeri
Verran
Wappel
Wood
Zed—131

Alcock
Anderson
Assad
Augustine
Bakopanos
Bellemare
Bertrand
Bevilacqua
Bodnar
Boudria
Brushett
Caccia
Catterall
Chan
Cohen
Collins
Copps
Culbert
Dromisky
Dupuy
English
Finlay
Fry
Gagliano
Gallaway
Gerrard
Goodale
Gray (Windsor West)
Harb
Hopkins
Ianno
Irwin
Jordan
Keyes
Knutson
Lastewka
Lee
Loney
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Martin (LaSalle—Émard)
McKinnon
McTeague
Mills (Broadview—Greenwood)
Murphy
Nault
O'Reilly
Patry
Peters
Pickard (Essex—Kent)
Regan
Rideout
Robichaud
Rompkey
Shepherd
Simmons
Speller
Stewart (Northumberland)
Telegdi
Thalheimer
Ur
Vanclief
Volpe
Wayne
Young

## PAIRED MEMBERS

Members

Asselin
Brien
Discepola
Lefebvre
MacAulay
Manley
Peterson
Tremblay (Rosemont)

Bernier (Gaspé)
Deshaies
Fillion
Loubier
MacDonald
Ouellet
Pillitteri
Walker

• (1835)

[*Translation*]

**The Deputy Chairman:** I declare the amendment to the amendment lost.

* * *

[*English*]

## SOCIAL SECURITY PROGRAMS

The House resumed from October 28, consideration of the motion that Bill C-54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, be read the second time and referred to a committee; and of the amendment.

**The Deputy Speaker:** Pursuant to order made Thursday, October 27, 1994, the House will now proceed to the taking of the deferred division on the amendment of Mr. Dumas at second reading stage of Bill C-54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act.

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. Perhaps you will find consent to apply the vote that we applied on the main motion of Bill C-56 in reverse to Bill C-54. You may find that one member may rise to indicate that the NDP members may want to indicate a variance to that effect and that would save us the time of taking an additional vote.

• (1840)

**Mr. Taylor:** Mr. Speaker, I rise in response to the offer from the government benches about applying the vote. There would be consent from this corner of the House on behalf of New Democrats but we would like our vote registered as an affirmative, as a yes vote in this case.

**The Deputy Speaker:** Subject to those interventions is there unanimous consent to proceed as suggested?

**Some hon. members:** Agreed.

(The House divided on the amendment, which was negatived on the following division:)

(*Division No. 97*)

YEAS

Members

| | |
|---|---|
| Althouse | Bachand |
| Bellehumeur | Bergeron |
| Bernier (Mégantic—Compton—Stanstead) | Blaikie |
| Bouchard | Bélisle |
| Canuel | Caron |
| Chrétien (Frontenac) | Crête |
| Dalphond-Guiral | Daviault |
| Debien | de Jong |
| de Savoye | Dubé |
| Duceppe | Dumas |
| Gauthier (Roberval) | Godin |
| Guay | Guimond |
| Jacob | Lalonde |
| Landry | Langlois |
| Laurin | Lavigne (Beauharnois—Salaberry) |
| Lebel | Leblanc (Longueuil) |
| Leroux (Richmond—Wolfe) | Leroux (Shefford) |
| Marchand | McLaughlin |
| Mercier | Ménard |
| Nunez | Paré |
| Picard (Drummond) | Plamondon |
| Pomerleau | Riis |
| Robinson | Rocheleau |
| Sauvageau | Solomon |
| St-Laurent | Taylor |
| Tremblay (Rimouski—Témiscouata) | Venne—52 |

NAYS

Members

| | |
|---|---|
| Adams | Alcock |
| Allmand | Anderson |
| Arseneault | Assad |
| Assadourian | Augustine |
| Axworthy (Winnipeg South Centre) | Bakopanos |
| Barnes | Bellemare |
| Benoit | Bernier (Beauce) |
| Bertrand | Bethel |
| Bevilacqua | Blondin-Andrew |
| Bodnar | Bonin |
| Boudria | Breitkreuz (Yellowhead) |
| Bridgman | Brown (Calgary Southeast) |
| Brown (Oakville—Milton) | Brushett |
| Bélair | Caccia |
| Calder | Catterall |
| Chamberlain | Chan |
| Chatters | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |
| Culbert | Cummins |
| DeVillers | Dromisky |
| Duhamel | Duncan |
| Dupuy | Eggleton |
| English | Epp |
| Finestone | Finlay |
| Fontana | Forseth |
| Frazer | Fry |
| Gaffney | Gagliano |
| Gagnon (Bonaventure—Îles-de-la-Madeleine) | Gallaway |
| Gauthier (Ottawa—Vanier) | Gerrard |
| Gilmour | Godfrey |
| Goodale | Graham |
| Gray (Windsor West) | Grey (Beaver River) |
| Grose | Hanger |
| Hanrahan | Harb |
| Harper (Calgary West) | Harper (Simcoe Centre) |
| Hart | Harvard |
| Hayes | Hermanson |
| Hill (Macleod) | Hill (Prince George—Peace River) |
| Hoeppner | Hopkins |
| Hubbard | Ianno |
| Iftody | Irwin |
| Jackson | Jennings |
| Johnston | Jordan |
| Karygiannis | Keyes |
| Kirkby | Knutson |
| Kraft Sloan | Lastewka |
| LeBlanc (Cape/Cap Breton Highlands—Canso) | Lee |
| Lincoln | Loney |
| MacLaren (Etobicoke North) | MacLellan (Cape/Cap Breton—The Sydneys) |
| Malhi | Maloney |
| Manning | Marchi |
| Marleau | Martin (Esquimalt—Juan de Fuca) |
| Martin (LaSalle—Émard) | Mayfield |
| McClelland (Edmonton Southwest) | McCormick |
| McKinnon | McLellan (Edmonton Northwest) |
| McTeague | Milliken |
| Mills (Broadview—Greenwood) | Mills (Red Deer) |
| Minna | Murphy |
| Murray | Nault |
| O'Brien | O'Reilly |
| Parrish | Patry |
| Penson | Peric |
| Peters | Phinney |
| Pickard (Essex—Kent) | Ramsay |
| Reed | Regan |
| Richardson | Rideout |
| Ringuette-Maltais | Robichaud |
| Rock | Rompkey |
| Schmidt | Scott (Fredericton—York—Sunbury) |
| Scott (Skeena) | Shepherd |
| Sheridan | Silye |
| Simmons | Skoke |
| Solberg | Speller |
| Steckle | Stewart (Northumberland) |
| Stinson | Strahl |
| Szabo | Telegdi |
| Terrana | Thalheimer |
| Thompson | Torsney |
| Ur | Valeri |
| Vanclief | Verran |
| Volpe | Wappel |
| Wayne | White (Fraser Valley West) |
| Williams | Wood |
| Young | Zed—172 |

PAIRED MEMBERS

Members

| | |
|---|---|
| Asselin | Bernier (Gaspé) |
| Brien | Deshaies |
| Discepola | Fillion |
| Lefebvre | Loubier |
| MacAulay | MacDonald |
| Manley | Ouellet |
| Peterson | Pillitteri |
| Tremblay (Rosemont) | Walker |

# PRIVATE MEMBERS' BUSINESS

[*Translation*]

## RECALL ACT

The House resumed from October 28, consideration of the motion that Bill C-210, an act to provide for the recall of members of the House of Commons, be read the second time and referred to a committee.

**The Deputy Speaker:** Pursuant to order made Thursday, October 27, 1994, the House will proceed to the taking of the deferred division on the motion of Miss Grey at second reading of Bill C–210.

The vote will be taken by row, beginning with the member who moved the motion, followed by those who are in favour of the motion on the same side as the mover of the motion, one row at a time. Votes will then be taken from those sitting on the other side of the House who are in favour of the motion. Those who are against the motion will be called in the same way.

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

*(Division No. 98)*

## YEAS

Members

Ablonczy
Breitkreuz (Yellowhead)
Brown (Calgary Southeast)
Cummins
Epp
Frazer
Grey (Beaver River)
Harper (Calgary West)
Hart
Hermanson
Hill (Prince George—Peace River)
Jennings
Manning
Mayfield
Mills (Red Deer)
Ramsay
Scott (Skeena)
Solberg
Strahl
White (Fraser Valley West)
Benoit
Bridgman
Chatters
Duncan
Forseth
Gilmour
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Johnston
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Penson
Schmidt
Silye
Stinson
Thompson
Williams—40

## NAYS

Members

Adams
Allmand
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Bellehumeur
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bethel
Blaikie
Bodnar
Bouchard
Brown (Oakville—Milton)
Bélair
Caccia
Canuel
Catterall
Chan
Clancy
Collenette
Comuzzi
Cowling
Culbert
Daviault
de Jong
DeVillers
Dubé
Duhamel
Alcock
Anderson
Assad
Augustine
Bachand
Barnes
Bellemare
Bernier (Beauce)
Bertrand
Bevilacqua
Blondin–Andrew
Bonin
Boudria
Brushett
Bélisle
Calder
Caron
Chamberlain
Chrétien (Frontenac)
Cohen
Collins
Copps
Crête
Dalphond–Guiral
Debien
de Savoye
Dromisky
Duceppe
Dumas
Dupuy
English
Finlay
Fry
Gagliano
Gallaway
Gauthier (Roberval)
Godfrey
Goodale
Gray (Windsor West)
Guay
Harb
Hopkins
Ianno
Irwin
Jacob
Karygiannis
Kirkby
Kraft Sloan
Landry
Lastewka
Lavigne (Beauharnois—Salaberry)
LeBlanc (Cape/Cap Breton Highlands—Canso)
Leroux (Richmond—Wolfe)
Lincoln
MacLaren (Etobicoke North)
Malhi
Marchand
Martin (LaSalle—Émard)
McKinnon
McLellan (Edmonton Northwest)
Mercier
Mills (Broadview—Greenwood)
Murphy
Ménard
O'Brien
Parrish
Patry
Peters
Picard (Drummond)
Plamondon
Reed
Richardson
Ringuette–Maltais
Robinson
Rock
Sauvageau
Shepherd
Simmons
Solomon
St–Laurent
Stewart (Northumberland)
Taylor
Terrana
Torsney
Ur
Vanclief
Verran
Wappel
Wood
Zed—179
Eggleton
Finestone
Fontana
Gaffney
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gauthier (Ottawa—Vanier)
Gerrard
Godin
Graham
Grose
Guimond
Harvard
Hubbard
Iftody
Jackson
Jordan
Keyes
Knutson
Lalonde
Langlois
Laurin
Lebel
Leblanc (Longueuil)
Leroux (Shefford)
Loney
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Marleau
McCormick
McLaughlin
McTeague
Milliken
Minna
Murray
Nault
O'Reilly
Paré
Peric
Phinney
Pickard (Essex—Kent)
Pomerleau
Regan
Rideout
Robichaud
Rocheleau
Rompkey
Scott (Fredericton—York—Sunbury)
Sheridan
Skoke
Speller
Steckle
Szabo
Telegdi
Thalheimer
Tremblay (Rimouski—Témiscouata)
Valeri
Venne
Volpe
Wayne
Young

## PAIRED MEMBERS

Members

Asselin
Brien
Discepola
Lefebvre
MacAulay
Manley
Peterson
Tremblay (Rosemont)
Bernier (Gaspé)
Deshaies
Fillion
Loubier
MacDonald
Ouellet
Pillitteri
Walker

**The Deputy Speaker:** I declare the motion lost.

(Bill read the second time and referred to committee.)

[*English*]

**Mr. Hanger:** Mr. Speaker, I was not here for the vote. However, had I been here I would have cast my vote in favour of the motion.

**The Deputy Speaker:** It being 6.52 p.m. the House will now proceed to Private Members' Business as listed on today's Order Paper.

* * *

## RECOGNITION OF THE PATRIOTES OF LOWER CANADA AND THE REFORMERS OF UPPER CANADA

The House resumed from June 20 consideration of the motion.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, it is with great pleasure that I rise tonight to speak to the motion put forward by my hon. colleague from Verchères.

In his motion my colleague recommends that the House should officially recognize the historical contribution of the Patriotes of Lower Canada and the Reformers of Upper Canada to the establishment of a system of responsible, democratic government in Canada and in Quebec.

Before I start I would like to quote briefly from an article written by S. W. Wallace, which was published in the first issue of the *Canadian Historical Review*:

> The real significance of Canadian history lies in the fact that in the evolution of the new and unprecedented phenomenon, the British Commonwealth of Nations, Canada has played a leading part. It was in Canada that responsible government was first worked out in the colonial sphere.

• (1855)

Responsible government is undoubtedly a Canadian concept. It is part of our rich sociopolitical history. Question period, for example, is one of the ways in which the government can be challenged to remain accountable for its actions.

In any event, I am not here tonight to debate who fought harder for the concept of responsible government in the British North American colonies, Joseph Howe or the duo of Louis Joseph Papineau and William Lyon Mackenzie. Each contributed in his own way to the establishment of responsible government in Canada.

What I am concerned with is the fact that we are seeking to recognize a holiday based on a history which focuses on ordinary citizens taking up arms against the government of the day. Even if the motion of our colleague from Verchères should pass the House when would he suggest that the Patriotes and the Reformers be commemorated? The closest Sunday to November 23, just like the Parti Quebecois declared in 1982?

I am aware that my colleague is not demanding a national holiday. However, we already set aside two days when Canadians can pause and reflect on this great country of ours. These two days are Heritage Day and Canada Day.

On these days Canadians reflect and celebrate their country. What prevents us from commemorating on the third Monday of February or on July 1 the contributions of the patriots and the reformers to the establishment of responsible government?

For example, in Liverpool, Nova Scotia, and all around the south shore area, the Canada Day weekend is the beginning of a local heritage celebration called Privateer Day. Privateers were men who smuggled supplies instead of serving in the Royal Navy during the American revolution, the Napoleonic wars and the war of 1812.

During these commemorative festivities fireworks are lit on Friday night over the Liverpool harbour in memory of the privateers. On Saturday there are two parades which recreate the events of days gone by. To my knowledge, the privateers of Nova Scotia have never been officially recognized by the House of Commons for their contribution to the economic prosperity of the south shore of Nova Scotia, yet every year during the Canada Day weekend the entire community remembers the privateers.

What is preventing our hon. colleague from Verchères from encouraging community leaders to organize events commemorating Louis Joseph Papineau and his followers? He certainly does not need the federal government's approval to organize such festivities.

My real opposition to this motion stems from the unique place in history given to the Patriotes by the Quebec sovereignists. I think it would further fan the flames of nationalism and separatism if this motion was adopted by the House.

I would like to quote from an article that appeared in *L'action nationale* which is without a doubt a propaganda tool for the Quebecois nationalists. The article was penned by Gilles Rhéaume who at the time was director of the Ligue d'action nationale as well as president of the Société Saint-Jean-Baptiste de Montréal which is one of the most radical nationalist groups in Quebec. In his short article, Mr. Rhéaume stated:

[*Translation*]

"Admiring the Patriotes of 1837–38 is fine, but being inspired by their example is better. Let us draw our inspiration from their devotion to freedom and sovereignty. But, in order to do so, we need special occasions. That is why the Société Saint-Jean-Baptiste of Montreal welcomed the order issued by the Quebec government declaring the Sunday nearest to November 23, the anniversary date of the victory at Saint-Denis, as National Patriots Day".

[*English*]

The Quebec sovereignists use the patriots of 1837–38 rebellion as a weapon of legitimization in their fight for Quebec independence. The sovereignists of today try to demonstrate to their fellow Quebecois that Louis Joseph Papineau and his followers were rebelling against the intransigent tyranny of the British powers, much like the Bloc is doing in this Parliament against the federal powers.

Granted, conditions in Lower Canada during the 1830s were difficult and frustrating for the French Canadian majority, difficult because economic hardship seriously affected the francophone working class, frustrating because the francophone petite bourgeoisie constituted the majority of members in the lower House. Yet these same members had very little say in the financial management of the colony.

• (1900)

What concerns me if this House adopts Motion No. 257 is that we will be playing right into the hands of the Bloc Quebecois as well as those of the Parti Quebecois. Certain parallels can be drawn between the causes fought for in 1837–38 and the present day battle over Canadian unity.

Once again, I will draw upon Mr. Rhéaume's comment to support my argument. Mr. Rhéaume states that economic conditions, especially the lack of control over the purse strings of the colonial treasury were one of the main causes for the 1837–38 rebellion. Today Quebec nationalists complain that they have only partial control over their economy. The essential levers of power rest within the hands of the federal government where the Quebec representatives are a minority.

The Patriotes believed that only full control of all economic levers could permit the French Canadians to survive as a people. The Quebecois nationalist elite uses the same argument today to preserve its language, culture and tradition.

I clearly see comparisons being drawn by Quebecois nationalists between the events of 1837–38 and those unfolding in 1994–95. If this House is seriously fighting for a strong Canada it would be hypocritical for its members to vote in favour of this motion.

Since our colleague for Verchères is very interested in history, as all Canadians should be, let us look back on some of the Patriote commemorative ceremonies which have taken place over the years. Since 1962, the 125th anniversary of the rebellion, commemorative ceremonies held in Montreal in honour of the Saint–Denis victory have taken on a nationalistic overtone. For example in 1970 at the height of the October crisis about 3,000 people rallied at the Patriotes monument. Representatives of the Chevaliers de l'indépendance, as well as those of the FLQ were on hand. Camille Laurin, leader of the national assembly of the Parti Quebecois, stated:

[*Translation*]

The most insidious means are used to perpetuate colonialism in Quebec, but Quebec will achieve its independence through peaceful means.

[*English*]

At a similar celebration in 1973 Francois Albert Angers, one of Quebec's most important proponents of economic sovereignty, asked French Canadians to stand behind the Parti Quebecois so that they could defeat more easily the anglophone political party. Links do exist between Quebec sovereignists and Patriotes commemoration.

In 1977 the Société Saint–Jean–Baptiste de Montréal awarded its Patriote de l'année award to Camille Laurin, the minister who steered Bill 101 through the national assembly. This is no coincidence. The nationalists use the term Patriote de l'année when giving an award to a Parti Quebecois minister who severely restricted, we could almost say outlawed, the use of English in his province. The Parti Quebecois during its last tenure in power also renamed a highway in honour of the Patriotes in addition to declaring the Sunday nearest November 23 as the official day for commemorative ceremonies.

The Parti Quebecois is using the battles of their forefathers during the 1837–38 rebellion to legitimize their struggles against Canadian federalism. Today the term patriote has taken on an almost anti–English anti–federalist connotation in Quebec. Whereas the original Patriotes fought in part to establish responsible government, today's patriots seem to be working toward the demise of this great country of ours.

Louis Joseph Papineau, William Lyon Mackenzie and their followers certainly have enriched Canada's history as have thousands of other men and women. In opposing this motion I do not want to belittle their contribution in any way. However, I am concerned for the message we would be sending out to the Quebecois sovereignists if we legitimized the Patriotes' actions. I therefore urge all members of this House who want to preserve our country to vote against Motion No. 257.

[*Translation*]

**Mr. Louis Plamondon (Richelieu, BQ):** Mr. Speaker, I rise on a point of order. The hon. member who just spoke has insulted many Quebecers, unwittingly I am sure, by saying that the Société Saint–Jean–Baptiste is a radical or extremist movement. Several million of Quebecers have been members of that movement which has no ties whatsoever with political parties. I shall be brief, Mr. Speaker. Some Liberals are still members of the Société Saint–Jean–Baptiste, and other parties—

• (1905)

**The Deputy Speaker:** The hon. member knows that this is a question for debate and not a point of order. They will get a chance to speak, but it is now the turn of their colleague—

**Mr. Plamondon:** I rise on a point of order, Mr. Speaker. I insist.

**The Deputy Speaker:** Does the hon. member for Blainville—Deux–Montagnes want to yield to his colleague?

**Mr. Mercier:** No, Mr. Speaker, I rise on a point of order.

**The Deputy Speaker:** The hon. member for Richelieu on the same point of order.

**Mr. Plamondon:** I ask that the words radical and extremist applied to the Société Saint–Jean–Baptiste be withdrawn because they are unparliamentary.

**The Deputy Speaker:** The hon. member for Blainville—Deux–Montagnes, on debate.

**Mr. Mercier:** Mr. Speaker, I am willing to speak now, but I think that it was not the order in which it was agreed to do so.

**The Deputy Speaker:** The hon. member for Trois–Rivières has the floor.

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, I am very pleased to speak today in this debate about the contribution of the Patriotes of Lower Canada and the Reformers of Upper Canada to the democratic evolution of our representation mechanisms.

I am all the more pleased to speak on this November 1, 1994, because exactly seven years ago today, on November 1, 1987, we lost a very great Quebec patriot, a great Quebec democrat, the former premier of Quebec, Mr. Lévesque, who invited Quebecers to believe in Quebec, who gave confidence and pride to Quebecers and invited them to describe themselves and to consider themselves as a people with the highest political status.

I would hope that in the upcoming referendum campaign, Quebecers will remember and emulate that great man, René Lévesque.

I am also very pleased to take part in this debate that was raised by my colleague from Verchères, whom I want to congratulate and who has moved the following motion, that I would like to read in order to put things in perspective:

> That, in the opinion of this House, the government should officially recognize the historical contribution of the Patriotes of Lower Canada and the Reformers of Upper Canada to the establishment of a system of responsible democratic government in Canada and in Quebec, as did the Government of Quebec in 1982 by proclaiming by order a national Patriots' Day.

I am all the more proud, and even a bit moved, because I participated myself in the celebrations that, for thirty years now, have been held in commemoration of the 1837–1838 events that occurred in Saint–Denis sur Richelieu, in Quebec. I would like to take this opportunity to thank and congratulate two residents of that village who, certainly for twelve years I think, have organized these celebrations with efficiency, skill, modesty and so much dignity. They are Mr. and Mrs. Onil Perrier from Saint–Denis and they deserve our most sincere gratitude.

To understand fully the evolution of these so–called democratic mechanisms, we have to go back to 1791, about forty years before the 1837–1838 events, when the Quebec Act created two provinces, Lower Canada and Upper Canada, Quebec and Ontario as we know them today.

From a political point of view, we must remember that this act established four precise levels of power which were the source of frictions that caused the events we all know about. The first level of power was the governor and his bureaucrats who formed an oligarchy named clique du château, or castle clan, in Quebec and Family Compact in Upper Canada or Ontario. Then there were the Executive Council and two other houses, the Legislative Council and the Legislative Assembly.

• (1910)

Not only were the governor and the executive council not accountable to the people and the elected representatives, but they also had the power to revoke laws passed by Parliament. The legislative council was clearly a patronage heaven and became a kind of branch of the executive council where people would exchange friendly services, serve on one council and then on the other and even, at times, on both councils at once.

During all those years, there was deep discontent with the legislative council within the population. When the 92 resolutions were presented in 1834, 31 concerned the Legislative Council, and this discontent was prevalent among both francophones and anglophone progressive democrats.

At the time, the legislative assembly, consisting of elected representatives and members, was just a debating society, like the National Forum on Health which the Prime Minister of Canada supports, a debating society without any real power, except the power to run its own activities, but when it appointed a speaker, Louis Joseph Papineau, his appointment was turned down by Mr. Dalhousie, the governor at the time.

Throughout this period, the demands of both Patriotes and Reformers touched on a number of points, the most important one being responsible government, which would make the executive accountable to the people and their elected representatives.

Another demand concerned the right of the members of the Legislative Assembly to control appropriations and how tax money was spent, and to have a say in the appointment of senior officials. Finally, another demand, still very relevant, was that the legislative council, more or less the equivalent of the other

place today, be elected by the people instead of appointed by the governor.

Throughout this period, these demands were the subject of intense and incessant debate and caused constant confrontation between the executive and the legislative bodies. Faced with the arbitrary behaviour and contempt of the governor and his clique, the people's representatives and all democratic individuals had the choice of either submitting or enlisting the means at their disposal and stand on their rights.

That is what they did, but unfortunately, in 1837–38, both groups were defeated. They were defeated in the media, but only ten years later, in 1848, they won when responsible government was recognized. We still enjoy the benefits of that victory today in this House, and it means that as elected representatives, we can take part in the debate and we can ask questions.

You will probably agree that the quality of the questions is more obvious than the quality of the answers, especially when the answers come from the official opposition, but it gives us the right today to put questions to the government. It gives us the right to demand, on occasion, the resignation of ministers. That is part of these new powers. At the time, these powers were acquired as a result of responsible government. This gives elected representatives the right to adopt budgets and appropriations, and it also allows them to question the government about the appointment of senior officials.

Such is the contribution of the Patriotes and the Reformers. That is why we are asking the House to vote on this proposal to recognize the most valuable contribution that both Patriotes and Reformers made at that time to the evolution of our democracy. I will not try to conceal that there are in fact similarities between the background of this historic episode and the present situation.

• (1915)

We must not forget that at the time, as my friend mentioned a few moments ago, they were claiming their independence and there had been a declaration of independence. Today, the sovereignist movement is in office in Quebec and represents the official opposition here, in Ottawa. This shows how sovereignist thinking is deeply rooted in our people, how we genuinely aspire to sovereignty and how the vision of someday having a country that Quebecers will claim as their own is not the undertaking of a single man, but a truly collective endeavour very deeply rooted in the minds of our people.

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I am happy to take part today to the debate on the motion which reads as follows:

> That [...] the government should officially recognize the historical contribution of the Patriotes of Lower Canada and the Reformers of Upper Canada to the establishment of a system of responsible democratic government in Canada and in Quebec—

I will come back to that proposal later.

Let me say first of all that I am among those who will not be able to support that motion. However, I want to say that I share in no way, and I underline the words in no way, the arguments and reasons put forward by the member for Calgary Southeast against the motion. Her reasons are not mine and I thought it was important to stress this fact.

It is with great interest that I rise today to speak about that important issue. Most Canadians do not have to go back to their history books to remember the contribution of Reformers and Patriotes during the last century. As we all know, the Patriotes caused the events known today as the Rebellion of 1837.

Although I recognize it is important to stress the contribution of those individuals who, by their action, brought about the establishment of responsible government, I do not subscribe fully to the proposal of the hon. member. If the aim of the hon. member for Verchères is to commemorate important contributions to Canadian democracy, I believe his proposal is somewhat restrictive.

First of all, Canada is a huge territory bordered by three oceans. This alone is sufficient to make us understand that a multitude of individuals must have worked together to build this great country. The motion of the hon. member stresses only the historical contribution of the Patriotes of Lower Canada and of the Reformers of Upper Canada. Notwithstanding that fact, if the motion had been put differently, I could have given it my support. However, I oppose the motion because it does not take into account the fundamental contributions of Canadians in other regions.

Montesquieu said that to love democracy is to love equality. If we recognize the contribution of some, this should be done equally for all.

It would be important to highlight or, at least, not to forget the role played by Joseph Howe to whom we originally owe the principle of accountability in government. I am not saying this to gloss over or down–play what William Lyon Mackenzie did in Upper Canada and Louis Joseph Papineau in Lower Canada, but this does not change the fact that Joseph Howe was the originator of the concept of accountability in government. He was a journalist with the *Nova Scotian*, an influential paper at the time. He had campaigned in favour of accountability in government. When he entered politics, in 1836, he played an important role in the establishment, in Nova Scotia, of what was called a liberal reform government. He was the one who argued with the

British authorities of the day in favour of an executive power accountable to the elected members of the legislative assembly.

• (1920)

It was the beginning of responsible government. As the member who spoke before me mentioned, Louis Joseph Papineau and his committee had presented 92 resolutions advocating the control of revenues by the legislative assembly, but executive responsibility, the election of a council and their action were part of a larger movement which was related to a fight being fought elsewhere by Joseph Howe, in Nova Scotia, for example, or by William Lyon Mackenzie in Upper Canada.

What we must point out when we talk about the history of Lower and Upper Canada, is that the provinces were created by the Constitutional Act of 1791 which drew a line west of the seigneury of Vaudreuil to create the new province of Upper Canada, a sort of distinct society for the English speakers of the time, a way to give them the common law and the right to own land under a system known as "free hold land tenure".

A distinct colony was establish to protect these two principles. However, I should say that this new colony of Upper Canada was merely a narrow band of land just north of the St. Lawrence River, just like Lower Canada extended only along both shores of the river.

Nevertheless, if we were to take the motion as it appears in today's order paper and to translate its content in 1994 parlance, we would talk about the responsible democratic government of Quebec, the former Lower Canada, and of Ontario, the former Upper Canada, and we would exclude all the other provinces of this big country of ours. As I said earlier, the initiatives of Joseph Howe preceded those of William Lyon Mackenzie who, with a group of friends, rebelled and took arms—a few guns, forks, shovels, whatever they had then—to show their discontent.

Needless to say, they did not get very far. They were for the most part banished, jailed, etc. and they only surfaced years later. As for Lower Canada, we certainly all remember Louis Joseph Papineau and his friends, who were then called the Patriotes, and who played a role similar to that of William Lyon Mackenzie, the grandfather of another Liberal Prime Minister elected several years later, William Lyon Mackenzie King.

We are all aware of these facts and I am not one to forget or diminish in any way the role played by the Patriotes. In closing, I will repeat what I said at the beginning, that I totally dissociate myself from some comments made today. I declare that, if this motion was intended to recognize in Ontario and in Quebec, which are both provinces, the contribution of these groups, I would gladly support the motion, and I must say that if the member opposite was willing to request unanimous consent of the House to change the word, I would immediately give my support.

I suspect, however, that there is another, different objective in that motion. At the end, it says "in Canada and in Québec", as if they were really two distinct and equal entities.

• (1925)

Of course, Ontario and Quebec are both provinces. Quebec is a province within this great country which is Canada, this great country which, I hope, will always remain strong and united.

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, I rise today in this House to speak to the proposal put forth by my colleague, the hon. member for Verchères. The motion reads as follows:

> That, in the opinion of this House, the government should officially recognize the historical contribution of the Patriotes of Lower Canada and the Reformers of Upper Canada to the establishment of a system of responsible democratic government in Canada and in Quebec, as did the government of Quebec in 1982 by proclaiming by order a national Patriots' day.

I want to point out right away that this proposal is in no way designed to add a statutory holiday to the calendar. The thought of adding such a holiday never crossed the mind of the sponsor of this motion.

The purpose of this motion is however to recognize the contribution of the Patriotes of Lower Canada and the Reformers of Upper Canada by an order of this House to that effect.

The point was made that the violence of the 1837 and 1838 rebellions should not be condoned. Of course not, but let us not forget however that Patriotes and Reformers voiced their grievances and complaints in pamphlets, in newspapers articles, at rallies, through petitions and presentations at the House of Assembly they had in those days, before some of them finally decided to rise up in arms.

The sole purpose of the motion before us now is to pay tribute, regardless of these unfortunately violent events, to these men and women who believed in the need to have a responsible and truly democratic government. Among those who took part in that movement, some became well–respected public figures because of their convictions and their major contribution to our society.

I can think of people like Louis Joseph Papineau, Louis Hippolyte Lafontaine, Robert Baldwin or George Étienne Cartier. Of course, the Patriotes and the Reformers were not the only ones who contributed to the establishment of responsible government in this country. Others also made a historical contribution to the building of Canada. I imagine that some measure will eventually be proposed to also honour these people.

Certain Patriotes are better known than others, as well as some places. I am honoured by the fact that a meeting of Patriotes took place on July 16, 1837, in Deschambault, in my riding of Portneuf.

Deschambault is one of many small communities in my riding which are located right on the shore of the St. Lawrence River. It has a pier, a promontory called Cap Lauzon, as well as a church which was already there at the time. There is also a general store, the Magasin général Paré, which dates back to that period.

Let us go back 157 years, to July 16, 1837, in front of the general store which is located next to the old church, and let us listen to what the Patriotes of the time were saying:

Resolution No. 1. "That this assembly solemnly condemns the resolutions concerning the affairs of this province which were recently introduced by the minister in the British Parliament, which overwhelmingly approved them, hence sanctioning a principle which sooner or later will be used as a precedent to attack and destroy not only the rights and liberties of other British colonies, but even those of the English people".

• (1930)

There are in these historical statements some valuable lessons that might enlighten us about our current situation.

Resolution No. 2 is as follows: "That the resolutions introduced by Lord John Russell in the House of Commons in England on March 6, on behalf of all ministers, to authorize the Imperial Parliament to seize in the provincial coffers the monies from the labour of the people to pay public servants, most of whom have shown themselves unworthy of this country, and since passed by the Commons and the Lords, are a violation of the Constitutional rights and privileges of the people of this province".

Resolution No. 3: "That the adoption of these resolutions is in complete defiance of the just demands of the inhabitants of this province; that it destroys our confidence in the British Parliament, and that it should convince French Canadians that, in the future, they should expect from the United Kingdom no reparation for their grievances and no respect for their political rights." Unfortunately, you will agree, there is nothing new under the sun.

Resolution No. 4: "That the people of this country would bear the mark of degradation and would be enslaved if they agreed to be taxed, to be violently deprived by the public authorities of their money, which would then be distributed to perverse servants, without the sanction of their representatives who are the only ones to have the right to make appropriation of it". In those days, there was no deficit, no public debt. Still, very serious statements were already being made. What would these Patriotes of 157 years ago say today if they saw our current taxation levels and our use of public funds? Then, 157 years ago, people had good horse sense and I think we still have it today.

Resolution No. 5: "That the British Parliament, by passing a resolution to seize this province's revenues, was guilty of an outrageous violation of our most accepted rights, that it is our people's most pressing duty to resist this violation with all the legal means—that is what was said—at our disposal, and that we should henceforth have the steadfastness to appeal no more to a body which has declared itself so resolutely hostile to our freedoms".

Resolution No. 6: "That for the preservation of these freedoms, it would be prudent to prepare ourselves for the difficulties that we may encounter by limiting our personal expenses and by promoting education, agriculture, industry, manufacturing and trade in this province." This certainly sounds very contemporary.

Resolution No. 7: "That when the revenues of this province are squandered to satisfy the greed of those who are always opposed to the wishes and the needs of the people, it is our duty to improve our domestic manufactures and to recommend their increasing use to our fellow citizens, just as it is our duty to avoid in so far as possible the products of those who pay duties".

Quebec's Patriotes were already showing us the way 157 years ago. There are many more resolutions, but it was a privilege for me to read in this House tonight these words so full of common sense that our ancestors wrote in difficult times and that can still guide us today.

In closing, Mr. Speaker, I would like to mention that the words I read tonight were written by Mr. Louis Gariépy, president, and Mr. N.G. Gauthier, secretary, and were published in *La Minerve*, on July 24, 1837.

• (1935)

[*English*]

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** Mr. Speaker, I am pleased to speak on Motion No. 257, the purpose of which is to recognize the historic contributions made by the Patriotes of Lower Canada and the Reformers of Upper Canada to establish a system of responsible democratic government in Canada.

I should like to begin by informing my hon. colleague from Verchères that the Government of Canada is by no means remiss in celebrating our historic heritage and encouraging all Canadians to do so. The government has already established a national day of celebration on which we mark the contribution made to the country by all Canadian patriots, be they anglophone, francophone, aboriginal or allophone. I am speaking of course of Canada Day.

Canada Day is a unique and appropriate opportunity to celebrate the contributions of all Canadians, including those who work for the establishment and continued evolution of our democratic system of government.

Thousands of Canadians also have the opportunity to celebrate Heritage Day in February and organize activities marking the richness and diversity of our common heritage. It is the

perfect opportunity to commemorate the contribution that all great Canadians have made to our history.

Permit me to mention that heritage is a vast concept that includes, as George Kapelos wrote, the understanding, appreciation and preservation of significant elements of our culture and historic heritage. It goes without saying that one of those significant elements is the important role played by the Patriotes and the Reformers of 1837.

It must also be said that the federal government's more traditional role in heritage matters has been to protect national, historic or architectural sites and to establish research programs to increase awareness of our past.

Yet there is ongoing co–operation among the federal, provincial and territorial governments in numerous areas of heritage preservation and appreciation. That is why as an Ontarian and as a Canadian I am pleased to see the Government of Quebec has officially marked the contribution that the Patriotes made to the establishment of more democratic structures by instituting the journée des Patriotes celebrated in November of each year.

It is certainly not my intention to discourage the groups of citizens in Quebec and Ontario that are working to ensure the Patriotes and the Reformers are given their rightful place in our collective history. Indeed a familiarity with Canada's history gives us a more balanced vision of the country that allows us to make well advised decisions in managing the present and preparing for the future.

The reason I oppose the adoption of such a bill is that the proposal by the member for Verchères puts the emphasis on the role of only certain individuals in the process that led to the establishment of responsible government. I do not agree with the thinking that the Government of Canada should give all the credit for the progress of democracy in Canada to the Patriotes of the rebellion of 1837. This would be unacceptable given that it would ignore the contributions of thousands of Canadians in every region of the country who played an integral role in establishing a more genuine democracy in Canada.

I must therefore point out, as did my colleague from Pontiac—Gatineau—Labelle a few months ago, that the proposal by the member for Verchères does not take into account the contribution that a great number of Canadians made to the institution of responsible government in Canada. I am speaking of Joseph Howe, Nellie McClung, Thérèse Casgrain and many others who over the course of our history were involved in the process of establishing responsible government and in the ongoing evolution of our democratic system of government.

Recalling Joseph Howe, I cannot but question the link that this proposal tries to make between the actions of the Patriotes and the Reformers in the last century and the institution of responsible government. Was it not in fact Lord Durham who in a the rebellion of 1837 first recommended responsible government and the union of the two Canadas? I will be told that Lord Durham's intention was to assimilate the French Canadians and that is undeniable.

• (1940)

I would point out, however, that it was the moderate Reformers who deserve the credit for putting forward the idea of responsible government. That is why Joseph Howe of Nova Scotia played such a pivotal role. He was the first to establish responsible government overseas in the British Empire, in one of the colonies that was to become Canada, at a time when the Patriot Louis Joseph Papineau was advocating American style elections.

Joseph Howe, Robert Baldwin and Louis Lafontaine then built solid, moderate parties which in 1848 led Great Britain to accept the institution of a fully functional, responsible government. I would also point out that although responsible government did represent progress in Canada's parliamentary system, it was not in the beginning fully democratic.

It would take contributions of such great women as Nellie McClung and Thérèse Casgrain to win the right for women to vote that they were denied until the 20th century. Thus it was Nellie McClung who deserves the credit for Manitoba becoming the first Canadian province to give women the right to vote in 1916. Quebec had to wait for Thérèse Casgrain before it recognized women's right to vote in provincial elections. Furthermore it was not until 1960 that status Indians were allowed to vote in federal elections.

If Canada were to mark the contribution its citizens have made to the institution of genuine responsible government, it would do so by including all Canadians rather than singling out the Patriotes. I find it difficult to see how Canadians as a whole would welcome the idea of granting national recognition to only one of the elements that contributed to an immense collection of movement leading to the creation of real democracy.

I find it difficult to see how women would once again endorse a version of history that denies them their rightful place. I found it difficult to see how Canadians in provinces other than Ontario and Quebec would accept the government's decision to celebrate the contribution of only certain patriots. I find it difficult to see how the First Nations would welcome such a denial of their role in the creation of Canadian democracy.

In as much as adoption of the bill might incur additional expenses, I feel it must not proceed. The Canadian government is a responsible government because of the historical events that created it. As a result it has priorities to which it must devote all its efforts and its human and financial resources.

We promised Canadians jobs. In other words bread, not smoke and mirrors. Having said this, I would not want people to misinterpret the importance I attach to the action of our national patriots. I recognize that Papineau and Mackenzie played a significant role in our country's development by precipitating events with their radical position, but I also recognize that Baldwin and Lafontaine together contributed to the progress of democracy with their more moderate position.

That is the great lesson that Canada teaches us. There are sometimes contradictory individual interests and positions. Then transcending everything else there is a peaceful Canada which forms and transforms itself without armed conflict.

I for one am proud to live in a country that adopted responsible government, making the pitchforks and rifles of the past unnecessary. I therefore encourage all Canadians to celebrate in their own way the tradition of democracy they have inherited. As they have shown so often in the past, Canadians do not lack inventiveness.

They can if they wish organize historical re–enactments of the events on the road to responsible government. They can, with the help of local historical societies or heritage conservation groups, organize commemorative or celebratory events. In closing I hope that my comments on opposing this motion have not in any way diminished the events of our history that allow us to speak here.

[*Translation*]

**Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ):** Mr. Speaker, the motion of my colleague from Verchères is of particular interest for me because many events of the 1837 Rebellion occurred in my riding, in the town of Saint–Eustache, which became historic, and in neighbouring villages.

• (1945)

It is impossible to visit this region without seeing traces of these events mile after mile. Some of the villages and localities have evocative and significant names. One village was razed and others were burned to a greater of lesser extent. The English burned these villages in reprisal.

The facade of the main church in Saint–Eustache still bears the marks made by English cannonballs. Many streets in the town are named after participants in these events. The Jean–Olivier Chénier Local Community Service Centre recalls the leader of the Patriotes in this region. These are all visible remnants of the 1837 Rebellion which brought the Patriotes face to face with the British army. We who live in that region cannot forget those events even if we wanted to. The signs are there right before us.

Before anything else, I have to dispel a myth which has to do with the confrontation that did not occur because the Patriotes wanted sovereignty. The motion does not mention only the Patriotes of Lower Canada but also the Reformers of Upper Canada. Let me quote my colleague, the hon. member for Verchères, who presented this motion. He said on June 20, 1994: "The aim of the motion I have just respectfully submitted for the consideration of this House today is to rectify this perception [that they were criminals] and to achieve, at long last, recognition of the historic contribution of the Patriotes of Lower Canada and the Reformers of Upper Canada to the establishment of a truly responsible and truly democratic government in Canada and in Quebec".

At the time, the Patriotes and the Reformers were fighting for a cause that is still dear to our hearts, quite simply democracy.

Therefore, whether they were from Upper or Lower Canada, the insurrectionists were fighting to have the colonial assembly, which represented in the people, take a more active part in the exercise of power and gradually take over the internal management of the colony. As we know, the management of the colony's affairs was, at the time, conducted by London, through the governor and councils.

In short, what the insurrectionists wanted, and the reason why I think the whole country has the duty to recognize them, was, and I repeat, the democratization of the institutions of their country.

Whether it was in the field or at the end of a rope, will we say that the sacrifice of those who lost their lives was in vain? No, because in spite of their defeat, their uprising had the result of drawing the attention of London to the people's aspirations that it had consistently ignored until then. It was as a result of the 1837–38 events that London asked Lord Durham to conduct an inquiry and to propose some solutions to the problems raised by these aspirations from colonies in the north of the United States of America.

• (1950)

The Durham report, which was of course open to criticism in many respects, particularly for us, Quebecers, nevertheless proved the Reformers and the Patriotes right, in the sense that the report ridiculed and criticized the Constitution Act of 1791, which, while giving a representative government, did not accept the principle of responsible government. That was exactly what the insurrectionists had been demanding and, on that point, Lord Durham was in agreement with them.

It would be an overstatement to say that, in and of themselves, the actions of the Patriotes and the Reformers resulted in the Durham mission, the awareness that this mission raised in London and, consequently, the recognition in 1848 of responsible government. It would be unfair to others who helped make our institutions more democratic. The fact remains, however, that this action led to the decision to send Lord Durham on his mission and that the conclusions of this mission strongly influenced London's decision in 1848.

I repeat, the Patriotes and the Reformers were not the sole instigators of the movement towards democracy that started in 1848, but it is important to recognize the part they played, and I will get back to this. We want to give everyone his due.

The causes that in the eighteenth and nineteenth centuries moved first the Americans, then the French and then the Canadians to rebel violently against authority must be seen in context, and the context was, of course, different for each group. However, the main theme was the same: the will of a mature people to manage its own affairs. This phenomenon was to spread to a number of western countries.

Without going so far as to defend violence, we cannot afford to ignore, for the sake of being politically correct, the important and in some cases unique role played by popular uprisings in the history of democracy.

In Canada as well, history has shown that acts of violence occur only as a last resort, when people try to make themselves heard and all peaceful methods have failed. Perhaps I may recall what was said by the hon. member for Portneuf and emphasize the respectful tone of the resolutions he read to us and the fact that they included the desire to achieve their purpose through legal means. It is only when they realized that legal means were ineffective that they resolved to take arms.

All attempts had failed. There were speeches in the House, demonstrations in the streets, editorials in the newspapers. The Patriotes and the Reformers finally decided to resort to armed rebellion because they had failed to obtain that London limit the discretionary powers of the Governor.

In Canada as everywhere else, violent action, even when defeated, usually brings some movement, even on the part of a previously inflexible government.

It is in this light that the motion seeks recognition of the historic contribution of the rebels of 1837–38, who fought for the democratization of the institutions of the time.

• (1955)

We should not be surprised by the fact that it took so long to realize the significance of the events of 1837–38. By the way, we should remember that the Church took 130 or 140 years before allowing—

**The Deputy Speaker:** I am sorry. If there is unanimous consent, the member can go on, but his time has expired. One minute.

**Mr. Mercier:** Mr. Speaker, I would like to point out, just for the sake of comparison, that although the Bastille was taken on July 14, 1789, it was only 100 years later that the storming of the Bastille became France's national day. The Bastille was taken by Parisians, but, to go back to what my colleague opposite mentioned earlier, in spite of the fact that this was the doing of Parisians alone, the whole country now commemorates this local event as its national day. This example illustrates why we are asking that these events be recognized.

No matter what the members of this House think of the future of Canada, it seems legitimate for us to look at our past with respect and emotion, to honour this handful of men who, more than a century and a half ago, helped shape our democratic institutions, and sometimes paid for it with their lives.

**The Deputy Speaker:** The hour provided for the consideration of Private Members' Business has now expired.

[*English*]

Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

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# ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

## HUMAN RIGHTS

**Mr. Svend J. Robinson (Burnaby—Kingsway, NDP):** Mr. Speaker, recently I asked a question of the government, in particular the Secretary of State for Asia–Pacific, concerning the upcoming visit of the Prime Minister and Team Canada, together with nine provincial premiers on a trade delegation to Asia. In particular I focused on the issue of human rights and democracy in Asian countries being visited by the Prime Minister and by the premiers.

In urging the Prime Minister to speak out forcefully with respect to human rights and democracy in China, Tibet, Indonesia and East Timor in particular I want to remind the Prime Minister of his own words in a letter written in December 1991: "Progress toward respecting human rights in much of the world is the direct result of pressure from western democracies".

I think it is rather ironic that the Secretary of State for Asia–Pacific was one of the very eloquent spokespeople for the pro–democracy movement in Canada, calling for democracy and human rights in China. He had a number of confrontations with that government and was one of the key organizers of a human rights delegation in which I had the honour of participating together with two other members of Parliament, including his colleague, the Liberal member for Nepean.

The plea I would make today, reiterating a plea I made earlier, is for the Prime Minister, for the Secretary of State for Asia–Pacific, for the Minister of Foreign Affairs to recognize that the concerns which drove that plea for human rights in 1991 which

motivated the Secretary of State for Asia–Pacific in subsequent years and before then are alive and well today.

With respect to the situation in China it was on June 4 of this year that Premier Li Peng, on the 5th anniversary of the killings in Tiananmen Square, chose to implement harsh new regulations clamping down even further with respect to human rights.

There has been a crackdown on labour dissidents. The situation in Tibet is very serious. We know for example that China has recently banned the display of pictures of the Dalai Lama, continued its nuclear testing, continued its arms sales to repressive regimes and, most seriously, continued its inhumane policy of population transfer. There continues to be brutal repression of Buddhist nuns and monks in Tibet.

• (2000)

With respect to the issue in East Timor, the human rights abuses there are also very serious. I would urge the government to call for an end to government funding for promotion of trade with Indonesia, to support the international arms embargo, to call for the release of Xanana Gusmao and all East Timorese political prisoners, to support self–determination for East Timor as the Prime Minister did in his letter of December 1991.

In closing I hope as well that the government will reiterate our concern to the Chinese government about the importance of democracy, freedom of expression and the rule of law for Hong Kong as well, as the transition on July 1, 1997 is coming up in the very near future.

There will be a large banquet in Beijing in the near future. I hope that our government will recognize that in addition to promoting trade we must speak out forcefully for human rights and democracy. We must call for the immediate release of Wei Jingsheng. Certainly we must do everything we can to promote those values of human rights and democracy that are so important and so profound both in Canada and in Asia.

**Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.):** Mr. Speaker, the respect for human rights in China remains an important objective of our bilateral and multilateral agenda. Bilaterally we capitalize on every opportunity to remind the Chinese government at high levels of our concerns. We are pursuing the development of a serious dialogue about these concerns through diplomatic channels.

We will continue to pursue human rights issues in multilateral organizations, including a dialogue on these concerns with Chinese representatives. At the Commission on Human Rights in Geneva, which took place from January to March of this year, Canada co–sponsored a draft resolution on human rights in China.

The resolution expressed concern over continuing reports of violations of human rights and fundamental freedoms, including torture, severe restrictions on the rights of freedom of expression, religion, assembly, association and to a fair trial. It called on China to take further measures to ensure the full observance of all human rights, including the rights of women.

Also, we have to recognize that there are fundamental elements that need to be strengthened in China for it to develop into an open, modern state that respects human rights. Therefore at a time when China is going through an extensive liberalization period, we support innovative means to bring about change to the Chinese system.

We will accomplish this goal by supporting activities in areas where we believe China is susceptible to influence. We will be undertaking a number of new co–operative projects to assist the People's Republic of China in its efforts to reform its legal and judicial structure, and in its efforts to build up its human resource development sector.

Trade, economic development and human rights are mutually reinforcing. A China open to the world can only be good for its people, both economically and politically, and will further the cause of respect for human rights.

[*Translation*]

## CUSTOMS BROKERS

**Mr. Ghislain Lebel (Chambly, BQ):** Mr. Speaker, I recently asked the revenue minister in this House two questions concerning the new regulations on the collection of import duties and taxes that will come into effect on January 16, 1995.

In a document signed by the Deputy Minister of Revenue Canada, Customs, Excise and Taxation, after a long preamble trying to justify the measure and make importers feel safer, the department unilaterally decides to increase the bond required of importers to 100 per cent of their monthly instalments, up to a maximum of $10 million. The reason behind this change is the losses sustained by the government because customs brokers or importers were no longer able to pay their instalments.

• (2005)

For now, but for a short time only, the requirement is 35 per cent of the first $200,000 and 17.5 per cent of the next $1.8 million, up to a maximum bond of $2 million.

This bond can take the form of cash, Treasury bills, a letter of endorsement from a bank or a bond issued by the government.

Under the Customs Act, the importer is ultimately responsible for paying the duties and taxes. In Canada, these duties and taxes amount to about $11.5 billion a year, most of which is collected by customs brokers at no cost to the government.

A manufacturer who wants to import a given quantity of materials or products can import them himself. Use of a customs broker is optional, not required.

In the Canadian importers' magazine for October 5, they raise real objections to the increase in security demanded. This increase would force them to freeze assets, most of which are used to secure their working capital.

The conclusion of the industry committee's report on financing small business is that the lack of financing for small business is the fault of everyone except the government. It makes no sense.

Furthermore, I learned today that some very big importers like GM, Chrysler and Honda strongly refuse to provide such security and that they are negotiating with the Department of National Revenue to obtain a review of this policy. They are negotiating with the big ones, but crushing the little guys.

Is an importer or a very large customs broker with remittances of $250 million a month, who secures only $10 million of that, not favoured by this measure compared to a very small broker who must secure 100 per cent of his monthly remittances? Is favoritism not being shown, at the expense of the smaller operators? The government says that it is ready to encourage small business, but when the time comes to keep its word, it backs down.

I would like to have an explanation of this.

**Hon. David Anderson (Minister of National Revenue, Lib.):** Mr. Speaker, the department has experienced a significant number of defaults by customs brokers in the past two years where security was inadequate to cover the defaults. Therefore, to protect the Crown and importers a security increase was deemed essential.

[*English*]

Importers remain fully liable for payment of duties and taxes under the Customs Act regardless of any arrangement with the customs broker to act on their behalf. In the case of defaults by customs brokers, importers who have already delivered payment of their duties and taxes to the customs brokers are required to pay the unsecured portion of the total amount a second time directly to the department.

On the basis of consultations, it was decided that the new security level would be equal to 100 per cent of the average monthly K84 invoice up to a maximum of $10 million.

The $10 million ceiling applies regardless of whether the security is posted by importers or by customs brokers on behalf of its clients.

The ceiling was established because the surety industry advised that there is not sufficient security available in Canada to guarantee the total liability that the brokerage community carries in any given month.

[*Translation*]

History has shown that most of the difficulties have arisen from the small to medium sized brokers whereas larger brokers have not shown any evidence of being a risk. Therefore, it is essential that the higher risk group be covered to 100 per cent.

I should also mention that the Canadian Society of Customs Brokers has negotiated a master bond with a surety company which will be available to its members. This should greatly facilitate companies being able to acquire the necessary security.

The surety company underwriting the Canadian Society of Customs Brokers' master bond has indicated that, under the new security regime, it will cover the 80 companies which they currently secure.

• (2010)

[*English*]

## ETHICS

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I recently asked the Prime Minister a question concerning ethics and the role of his private ethics counsellor. His answer was both evasive and unsatisfactory. His answer and his attitude to the whole integrity and accountability issue contravene what was said in the Liberal red book.

The government seems to have a very selective memory when it concerns the contents of its red book and its election promises. If the government's promises happen to coincide with what it is doing today, then government members quote from it. If they have changed their minds or if the promises are inconvenient, then the government forgets what it said one year ago.

Let me refresh their memories about what they said about integrity and ethics. On page 92 of the red document, it says: "Open government will be the watchword of the Liberal program". Why then are they so secretive about the actions, responsibilities and activities of the ethics counsellor? Page 95 of the red book continues: "A Liberal government will appoint an independent ethics counsellor. The ethics counsellor will be appointed after consultation with the leaders of all parties in the House of Commons and will report directly to Parliament".

The Prime Minister has tried to make a virtue of the fact that the ethics counsellor reports directly to him and not to Parliament. He has said repeatedly that the counsellor's role is to be the private advisor to the Prime Minister. This represents a clear break of a very specific election promise. This should not be the action of a government that is trying to restore integrity and reassure cynical Canadians.

If the ethics counsellor is not made accountable to the House of Commons, then he is nothing more than a lapdog and a government yes man. It is clear that the role of Mr. Wilson is not to ensure any sort of ethical standard for the government. It is

obvious to all Canadians that the position of an ethics counsellor was created to give the impression of ethics to the public. This is old style politics and it is a shameful facade.

Canadians are asking: What about integrity and ethics? The government's answer is to point to the ethics counsellor who it keeps locked away in a box until needed in the hopes that this will fool the public. A more appropriate title for Mr. Wilson would be the government's ethics spin doctor.

Throughout this whole affair concerning the inappropriate actions of the Minister of Canadian Heritage, the Prime Minister has been evasive and inconstant. Parliament is still unaware of when the ethics counsellor was contacted, by whom, what his advice was and whether or not it was followed.

I challenge the government to do the honourable thing and publicize the correspondence with the ethics counsellor as it concerns the scandal with the Minister of Canadian Heritage. If there has been no formal correspondence between the Prime Minister and Mr. Wilson, then that too is unacceptable.

The Prime Minister seems unclear whether he considers the minister's actions unacceptable. This is understandable since he had problems with ministerial conduct in the past. In 1971 when the Prime Minister was Minister of Indian Affairs and Northern Development he created quite a bit of controversy by contacting a superior court judge about a case being ruled upon.

In closing, this government is no stranger to unethical behaviour and inappropriate actions. In their own red book the Liberals compared their actions to those of the previous Conservative government.

Does this government realize it is setting a very low standard for ethical conduct and is failing to even meet that?

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am very surprised that the hon. member for Kindersley—Lloydminister would use expressions such as scandal and so on to describe the situation that has occurred.

He knows perfectly well that his comments are inappropriate and grossly exaggerated. But of course he is trying to appeal to an audience that the Reform Party traditionally appeals to, claiming the usual virtue that the NDP used to claim in this House but even they have abandoned this pretence.

The hon. member knows perfectly well that what the government has done in this case is entirely in conformity with the red book. When he quoted from the red book he omitted to mention the fact that the references he made and the quotations he cited from the book were taken from a section dealing with the obligation of lobbyists to disclose certain facts to Parliament.

We talked about openness in government in connection with lobbyists because we were concerned that in the case of the previous government there were dealings going on between lobbyists and members of Parliament and members of cabinet that were not open to public scrutiny. We decided that should be opened up and to that end we have introduced Bill C–43 to amend the Lobbyists Registration Act, which bill is currently before a committee as the hon. member knows perfectly well.

Under Bill C–43 the ethics counsellor is available to advise not just the Prime Minister but also to make certain statements to Parliament. He is given independent powers with respect to the lobbying industry. If there are grounds to believe there has been a breach of the lobbyists' code of conduct the ethics counsellor could decide to investigate and the report on the investigation would then be reported to Parliament.

Also under Bill C–43 the ethics counsellor must report to Parliament annually on the administration of the legislation regarding lobbying.

The hon. member knows perfectly well that is all contained in the draft bill. If the member had been responsible in making his comments he would have pointed that out. He knows that is the situation.

In fact the Prime Minister has accepted full responsibility for the actions of the Minister of Canadian Heritage in this case and quite properly so. He described the minister's actions as an honest mistake that was corrected by the minister at the earliest opportunity.

I do not understand why the hon. member will not accept that explanation. To me it is a reasonable one. As the Prime Minister said in the House in question period yesterday, the buck stops here. He is taking responsibility and no ethics counsellor can take that responsibility away from the Prime Minister of Canada who is ultimately responsible to this House.

**The Deputy Speaker:** Under Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly the House now stands adjourned until tomorrow at 2 p.m.

(The House adjourned at 8.16 p.m.)

# HOUSE OF COMMONS

**Wednesday, November 2, 1994**

The House met at 2 p.m.

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*Prayers*

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## STATEMENTS BY MEMBERS

[*English*]

### LONDON INVESTMENT AND EDUCATION COUNCIL

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Mr. Speaker, learning is a life long process and in a rapidly changing world our vision of learning must be constantly changing and evolving. I am proud to say that the city of London is developing into a learning community.

The London Investment and Education Council is a non–profit community based group committed to bringing together students, business, labour, government, families and social and cultural organizations to plan initiatives and share information related to education.

The federal government recognizes that learning is a life long process and encourages all sectors of our community to become involved in the learning process. London truly is a learning community, thanks to the innovative work of the London Investment and Education Council.

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[*Translation*]

### DEFICIT REDUCTION

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, last Saturday, the Minister of Finance said in an interview published in *Le Soleil* that everything to reduce the deficit was on the table. In other words, the minister is simply ignoring the commitment made by the Prime Minister in the last election campaign that he would not raise taxes. On the expenditure side, the minister tries to justify additional cuts in social programs that might total $7.5 billion, arguing that everyone would have to do his or her share.

Instead of targeting the needy, the unemployed and the middle class, I suggest the minister take a good look at the government's operational expenditures, subsidies to corporations, Defence spending and duplication, and ensure that taxpayers who live on high incomes are the first in line to pay their fair share of taxes.

* * *

[*English*]

### ORGANIZED CRIME

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, police sources state the hub of Asian organized crime for the world will be situated in Vancouver and Vancouver Island by the turn of the decade. This statement has been acknowledged in part by the Solicitor General who recently supported the deployment of extra drug enforcement officers to Nanaimo.

The situation requires more than just extra police. The government must get serious about reforming and strengthening legislation in the areas of immigration, customs, justice, fisheries and human resources development.

The Reform Party recognizes the need for these changes. In my riding I have already started bringing together concerned members of the immigrant population with municipal, provincial and federal authorities to look at ways to make the system work for all Canadians. Next week I will continue the process and will report the results of this truly grassroots consultation process back to the House.

* * *

### SOCIAL REFORMS

**Mr. John Finlay (Oxford, Lib.):** Mr. Speaker, hon. members opposite often suggest that the views of Canadians are not taken seriously by the government. I want to tell my hon. friends that they are wrong.

Some of the suggestions made last April by my constituents appear in the discussion paper the Minister of Human Resources Development tabled in the House on October 5.

Oxford recommendations in this paper include: first, programs should be result oriented, with the emphasis on ending dependency.

Second, while everyone should pay into unemployment insurance, it should be structured more like private insurance so that those in higher risk areas of employment pay higher premiums. Third, to help those on welfare become independent the govern-

ment should subsidize those who choose to take low paying positions rather than remain at home.

I am happy to see that these recommendations were taken seriously by the minister and that they are now being discussed across Canada.

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## REMEMBRANCE DAY

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Mr. Speaker, next week on November 11 members of the House will join with thousands of Canadians to pay tribute to those who fought and died so that we might enjoy democracy and freedom: freedom to hold democratic elections and the freedom to voice concern.

This year marks the 50th anniversary of the end of the second world war. It is a time to show that Canada remembers. Let us join with all Canadians on November 11 to renew our pledge to the many Canadians who fought and fell in battle.

Let us also remember the sacrifices and efforts made by those at home. It is through the efforts of these people that we have been able to build Canada into a country deemed the best in the world in which to live.

We shall never forget.

* * *

## PHARMACY AWARENESS WEEK

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I would like to bring to the attention of all Canadians that November 1 to 7 is Pharmacy Awareness Week.

The theme of the week is: "Talk to me, your pharmacist, your friend". The purpose of the week is to encourage communication between pharmacists and their patients. This week recognizes the important role that pharmacists play in health care, and in particular medication use.

During Pharmacy Awareness Week pharmacists across the country will be demonstrating their commitment to close the information gap on the safe use of medications.

• (1405)

I recognize today the work of pharmacists in the field of health. I encourage them to continue their work in ensuring that medications improve the health of all Canadians.

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[*Translation*]

## NATIONAL FILM BOARD

**Mr. Louis Plamondon (Richelieu, BQ):** Mr. Speaker, by not dismissing out of hand the recommendations of the SECOR report on the future of cultural industries, the Minister of Canadian Heritage knowingly supports the abolition of the NFB.

NFB productions are well received and win many prizes internationally. The minister does not seem to realize that closing the NFB would mean shutting down the production of documentaries and animated films.

How many artists and technicians have been able to benefit from this institution's training programs? Does the minister really understand the impact that NFB productions have on our cultural life?

The Minister of Canadian Heritage is obviously no longer competent to defend the interests of cultural institutions. The industry can do without friends like these.

* * *

[*English*]

## GOVERNMENT EXPENDITURES

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, the Minister of Finance realizes he is over budget and will have to make deep cuts. The human resources development minister will also be making some cuts.

Now we find that Canadians are paying some $24,000 for the commissioner of official languages to drive back and forth between his two residences in a chauffeured limousine because he does not want to relocate from Montreal to Ottawa.

The Minister of Finance likes to give us the impression that he is attacking the deficit but now we find this example of scandalous spending. Canadians are outraged when they learn of this type of spending. How could the government dream of paying $15,800 for his apartment, $5,160 for his meals, and $3,000 for incidental expenses?

I call on the Minister of Finance to stamp out this spending. Let us hope that the commissioner is paying taxes on his benefits as are all other taxpayers.

* * *

## STAY IN SCHOOL INITIATIVE

**Mr. Maurizio Bevilacqua (York North, Lib.):** Mr. Speaker, it gives me great pleasure to inform the House of the partnership being announced today in Toronto between the National Basketball Association and the stay in school program by my hon. colleagues, the Minister of Human Resources Development and the Secretary of State for Youth and Training.

The stay in school initiative has become a community success story. The program encourages young people who are at risk of dropping out to stay in school longer and complete high school.

Significant gains have been made in expanding knowledge, action, collaboration, and moral obligation among Canadians to find solutions to the disturbing high school dropout problem.

As the Toronto Raptors and the Vancouver Grizzlies become household names to Canadians, they will become synonymous with championing this important issue.

* * *

## SERVICE KANADA

**Mr. John Maloney (Erie, Lib.):** Mr. Speaker, I am pleased to acknowledge a pilot project for young adults that has commenced for the Niagara Peninsula Conservation Authority in my riding of Erie.

Service Kanada, an initiative of the Secretary of State for Training and Youth, brings 19 to 24 year olds and non–profit organizations together to provide labour for needed projects while offering the participants training and the opportunity to live in another community while learning another language.

Participants are paid $2 daily and will receive a $1,000 grant at the end of their six–month stint. Food and lodging are provided by Service Kanada.

There are four objectives for the participants: performance of valued work for the community, acquiring personal work skills, achieving an awareness of our environment, and learning a second language.

These energetic volunteers, these young adults of today from Ontario, Quebec, and New Brunswick will be the leaders of a strong and united Canada in the not too distant future. We all benefit from projects such as Service Kanada.

* * *

## ENTREPRENEUR OF THE YEAR AWARD

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, yesterday I had the great honour of visiting Rideau Hall for the presentation of the first ever National Entrepreneur of the Year Award by His Excellency the Governor General of Canada.

In particular I wish to single out one of the nine recipients, Mr. John Bragg, president of Oxford Frozen Foods Ltd., Oxford, Nova Scotia. John Bragg founded his company in rural Nova Scotia processing wild blueberries in a single plant. Today he has four processing plants and has capacity to process 1.9 million pounds of blueberries per day as well as other frozen foods. In peak season John Bragg employs 3,000 people throughout his diversified companies.

I salute John Bragg and the other eight national award recipients whose gross sales total more than $2 billion annually. The government is very proud of our entrepreneurs, the role models for all Canadians.

• (1410)

[*Translation*]

## NATIONAL DEFENCE

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, the co–chairman of the Special Joint Committee on Canada's Defence Policy is quoted today in *La Presse* as saying that this department exists solely to show our solidarity with the rest of the planet.

In the report that came out Monday, he defended the idea of acquiring new equipment, the purpose of which would be to enable Canada to defend, at great expense, its territorial sovereignty.

It would certainly take mental gymnastics to be able to see how buying tanks, not to mention submarines, is a way of expressing solidarity with the planet. On the contrary, it merely confirms the militaristic doctrine that pervades the report.

My advice to the co–chairman is that he would do better to strengthen his solidarity with Quebec, which is in great need of support, particularly his, if it is to hang on to what little it receives from the Department of National Defence, the Liberal Party notwithstanding.

* * *

[*English*]

## NATIONAL FILM BOARD

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, the National Film Board of Canada's mandate is to produce and distribute films for Canadian audiences and foreign markets, to enhance knowledge of Canadian social and cultural realities and in so doing contribute to the development of a flourishing film industry.

The National Film Board receives over $80 million from taxpayers. I would like to outline for the House where some of those dollars are going. A film board promotion for a video says: "Compelling, often hilarious and always rebellious, the 10 women discuss lesbian sexuality and survival in Canada during the fifties and the sixties. This video brings lesbian history out of the closet and contributes to the viable history of sexuality in Canada". It also states: "Due to the explicit nature of certain scenes, viewer discretion is advised".

This is another example of hard earned tax dollars at work enhancing Canadian social and cultural realities.

By the way the current debt is $536,656,634,487.41.

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## PHARMACY AWARENESS WEEK

**Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, Pharmacy Awareness Week serves to draw attention to the very serious problem of over medication and cross–medication. Our senior citizens are at greatest risk.

I urge the members of the House to support Pharmacy Awareness Week and participate in making the issue better known.

* * *

[*Translation*]

### MEMBER FOR LAURIER—SAINTE-MARIE

**Mr. Martin Cauchon (Outremont, Lib.):** Mr. Speaker, four times a year, the House of Commons meets the cost of publishing a householder prepared by each member of Parliament to keep their constituents informed.

In his latest householder, a Bloc member published a letter under the heading "Changes required at the CECM". In this letter, the member argued the need for a school that meets modern-day needs and one with a resolutely forward-looking curriculum, adding that in the current debate, only MEMO offered such a perspective.

I must admit that, on the surface, the connection between the member's mandate and school board elections is not obvious. However, we are not naive enough to believe that this statement has nothing to do with the fact that the member's spouse is a MEMO candidate in ward No. 9 in Montreal.

Taxpayers strongly object to their taxes being used to indirectly fund the election campaign of the wife of the hon. member for Laurier—Sainte-Marie.

* * *

[*English*]

### AGRICULTURE

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, here is something I would like the ministers of agriculture, transport and finance to think about before they discontinue the so-called Crow benefit.

In my region the benefit is worth between $22 and $28 per tonne. We grow about one tonne of crop per acre and good land rents between $20 and $30 per acre.

If the benefit disappears and freight costs rise by a like amount, the cash rental value of those lands becomes zero. The financial effect on the region is to further deflate farm land values by several hundred dollars per acre. This equity, which will disappear with the decline and demise of the Crow benefit, is what farmers and their communities have been using as collateral to borrow funds for economic diversity.

The proposal to save some $600 million per year will take billions of dollars worth of value and equity from existing farms and businesses in western Canada and will trigger further bankruptcies and business failures.

How can the government justify that?

* * *

• (1415)

### CIDA FUNDING

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, when it comes to CIDA and our foreign aid program, the inmates are running the asylum.

Since 1991 the Canadian Wilderness Committee has received around $300,000 from CIDA. The Sierra Club of Western Canada and the Clayoquot Biosphere Project have also received CIDA funding.

To my best recollection, British Columbia is still a part of this great nation. Why then is nearly half a million dollars being misspent to bolster the efforts of anti-logging radicals?

This is blatant interference in British Columbia's jurisdiction over its natural resources. B.C. is battling to maintain the considerable lumber exports in the face of a concerted campaign of disinformation by these very groups.

We are neck deep in debt. What little foreign aid we can afford should go to those most in need. The federal government, which has not shown any great competence in managing natural resources, has no business interfering in provincial concerns.

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## ORAL QUESTION PERIOD

[*Translation*]

### ETHICS

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the ethics counsellor, Howard Wilson, said on television this morning that at no time did he receive from the Prime Minister or his colleagues the mandate to investigate the heritage minister's direct interference in the CRTC's business.

My question is for the Prime Minister. Does he confirm what his counsellor said?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, all the facts relating to this issue were clearly put on the table; these are public documents available to all. The counsellor, Mr. Wilson, is aware of the facts, but he does not need to investigate. All the facts are public knowledge and have been discussed in this House for several days.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, are we to understand that the Prime Minister deliberately neglected to ask his ethics counsellor to investigate last week because he did not want to have to justify the decision to overlook this matter which he had made a month earlier when he was informed of his minister's mistake?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we told the House of Commons and the public everything that happened in this affair and, as I said several times, the minister in question realized that his letter was interpreted as support. He immediately took action to correct the situation and we accepted this explanation. Then I personally took the initiative of asking all ministers to search their files to see if there was anything in them concerning the Radio–Television Commission, which itself asks for public opinion before rendering its decisions. Several members have written to this commission and several ministers wrote as they did when they were backbenchers. I asked Mr. Wilson to clarify the directives on this subject. I have had conversations with him and I hope that the new directives will be ready within a few weeks.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I ask the Prime Minister if he thinks that his minister again showed his lack of judgement yesterday when he said that he felt more and more at ease, although four of the largest newspapers in Canada and Quebec are calling for his resignation.

Does the Prime Minister, who has shown the virtue of forgiveness, not consider the penitent to lack firm resolve and to be insufficiently remorseful?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Lord in Heaven decides whether someone has firm resolve, not I.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, my question is for the Prime Minister. We learned that government ethics counsellor, Howard Wilson, was disciplined in 1992 for awarding almost $1 million worth of contracts without tender. His signing authority was suspended by the Deputy Minister of Industry after the Auditor General intervened.

How can the Prime Minister think that the government's ethics counsellor still has the credibility needed to occupy his position, whose incumbent must be above suspicion?

• (1420)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, there was an investigation on this matter and Mr. Wilson's signing authority was reinstated. All I know about this man is that he is honest, competent and very open. He readily makes himself available to the media and, under circumstances like these, he gave interviews.

Before appointing him, I asked both the Leader of the Opposition and the leader of the Reform Party for their opinion on his ability to perform these duties; they both agreed with me that he was an honourable man and that he could do an excellent job.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, need I remind the Prime Minister that Mr. Wilson himself admitted that he had not informed the Prime Minister of his situation before being appointed ethics counsellor in June, thus making it impossible for the Leader of the Opposition and the leader of the third party to find out about the situation which Mr. Wilson was involved in.

How can the Prime Minister continue to trust Mr. Wilson, who hid his suspension when his first duty was to inform the Prime Minister of his background at the time of his appointment?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the man in question was not suspended. He kept his position. It was an administrative matter as to whether he had authority or whether he should keep it. It was found appropriate to give him back the authority he had before.

[*English*]

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, last Thursday, October 27, the Prime Minister said regarding the heritage minister affair: "I consulted the government's ethics counsellor and confirmed that I had made the right decision in this matter". On Friday in the House he said: "I did not speak to Mr. Wilson myself but I asked that he be consulted". Today we find out that in fact no one, neither the Prime Minister nor his staff, asked the ethics counsellor to rule specifically on the heritage minister's letter to the CRTC.

The ethics counsellor's revelations on national television this morning contradict every version of events that the Prime Minister has given us. I ask the Prime Minister: How does he explain his previous comments to the House?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I explained clearly that I had asked people to call the ethics counsellor and they called him. He gave me an opinion that did not lead me to change my mind.

The leader of the Reform Party should know that whatever advice a minister or a Prime Minister receives, that advice is for him or her. As I said, he is the one who takes full responsibility for the decision. I cannot get up in the House and say to somebody here: "I made that decision because somebody told me to do that". That is not the way it works. The Prime Minister is the one who is fully responsible. I am fully responsible for the decision I have made and I will stand by it.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, we are asking the Prime Minister to accept responsibility for comments that he made to the House.

The Prime Minister clearly declared that the ethics counsellor had been consulted and said nothing that changed the Prime Minister's mind about his decision to retain the heritage minister. In fact, the ethics counsellor was not asked to give a ruling on that matter so how could he have provided advice to the Prime Minister on that subject?

Could the Prime Minister explain this contradiction between his own comments and the comments of the ethics counsellor?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I would like to say that we seek advice. The ruling is the decision of the Prime Minister and this Prime Minister makes decisions. He was not called upon to rule. He has no right to rule. I have the right to rule and I made a decision.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, this whole affair from the letter writing to the Prime Minister's comments is either an example of gross stupidity or unethical conduct, or both.

• (1425)

**The Speaker:** We are getting very close to language that is not acceptable. I wonder if I could ask the hon. leader of the Reform Party to rephrase his question.

**Mr. Manning:** Mr. Speaker, this whole affair is either an example of a grave error in judgment or unethical conduct, or both.

**Some hon. members:** Oh, oh.

**The Speaker:** I thank the hon. member for changing his wording on the first part. I would invite him to do the same on the second part.

**Mr. Manning:** Mr. Speaker, this whole affair is either an example of a gross error in judgment or in conduct unbecoming to a minister or a Prime Minister, or both. It has also made a mockery of the office of the ethics counsellor.

Will the Prime Minister allow the ethics counsellor to report directly to Parliament on the conduct of the Prime Minister's own office in this affair?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I am responsible to the people of Canada.

I appreciate the frustration of the leader of the Reform Party. He and his party are out fishing and catching no fish. That is their problem. However I do not want to get mad.

When the member for Beaver River yesterday made an accusation in relation to me she forgot to tell the nation in the accusation she made in the House today that the judge apologized to me and the *Globe and Mail* apologized to me. Not only that, the *Globe and Mail* paid me money because they had made an error.

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[*Translation*]

## CARREFOUR JEUNESSE–EMPLOI

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development. On Monday, we were stunned to learn that a young man who is unemployed was threatened with losing his UI benefits because he intends to participate in the job–search program set up by Carrefour Jeunesse–Emploi. This is an agency whose federal contribution was just cut and which has now been taken over by the Quebec government and the city of Gatineau.

How can the minister justify such blackmail on the part of his civil servants when young jobless people want to use the services provided by Carrefour Jeunesse–Emploi to improve their lot?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, it is a judgment by employment counsellors as to the advice they give to clients of our employment centres as to the services that can be provided.

In this particular case, the employment counsellor referred the young man in question to the project La Relance. It has an almost 75 per cent success rate in ensuring that employment is gained under these circumstances.

We believe very strongly that we have to ensure there is discussion and decision making at the local level. Therefore that kind of authority is given to local employment counsellors. I am sure when they make a judgment that a reference to the group Carrefour Jeunesse–Emploi is appropriate and helpful they will make references to that group as well.

• (1430)

It is a little strange that a member of Parliament in this case is second guessing the judgment of an employment counsellor when he was not there. He does not know the case and he does not know the individual. It is up to the employment counsellor who is dealing with the case individually to make the best judgment that can be made.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, does the minister recognize that this deplorable situation demonstrates once again the scope of the current mess in manpower training, with federal and provincial civil servants wrestling with each other, at the expense of the unemployed?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I am not sure exactly what question the hon. member has.

I would like to point out to him that in the case of the Carrefour Jeunesse the federal government provides an annual contribution of $550,000 which compares with the $100,000 from the province of Quebec. It would seem to me that we are doing our proper job in contributing to help the unemployed in

that area by that contribution at a five to one ratio to the province.

* * *

## ETHICS

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, I have pages from a document from the Privy Council Office called "Guidance for Ministers", marked confidential.

I will read the Prime Minister a quote from pages 23 and 24 of that document:

> Parliament has gone to special lengths to protect the independent mandate and powers of certain other agencies such as granting bodies or tribunals. You are advised to take very special care to avoid intervening, or appearing to intervene in cases under consideration by quasi–judicial bodies.

In light of this, will the Prime Minister do the only honourable thing that is available and ask the heritage minister to resign?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have asked the minister to be careful but there is no accompanying prohibition for ministers. We have tabled in the House some letters by ministers in support of cases from their constituents. We have debated in the House the problem of members of Parliament who become ministers remaining members of Parliament in our system.

I have asked the ethics counsellor to work on some guidelines so that members who are ministers can serve their constituents at the same time as serving the government. The guidelines will be ready in a couple of weeks.

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, these guidelines are absolutely clear.

Is the Prime Minister's version of responsibility that he has no responsibility for his own guidelines, no responsibility for his ministers, no responsibility for his own statements? Is it the Mulroney version of responsibility: "to heck with the facts, I will wait until the next election"? Is that his version of responsibility?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we are looking at the next election anxiously because a lot of you guys will not be there.

We have been in government for a year and Canadians are quite happy with the government. Never has the confidence in the nation been as high as it is today. We have growth in the economy and the mood of the country is very good. I can see why the Reform Party is going fishing when it dropped in the polls from 19 to 11.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ):** Mr. Speaker, my question is directed to the Minister of Human Resources Development.

The federal government's decision, as a result of which unemployment insurance benefits may be cut off to young people who do not use the services of La Relance, a centre subsidized by the federal government, is starting to look like some kind of retaliation or tit for tat, just because the Government of Quebec and the City of Gatineau have decided to support Carrefour Jeunesse–Emploi.

Does the minister realize that by supporting La Relance as opposed to Carrefour Jeunesse–Emploi, his public servants are contradicting the very essence of the minister's social security reform, which includes substantial flexibility in the way young people will be helped?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, as I have just explained, the federal government funds the Carrefour Jeunesse to the tune of $550,000.

• (1435)

It shows that there is a very clear commitment to that organization to conduct a variety of services. At the same time we made it very clear that the judgment of the employment counsellor as to what is the best reference and the best service should be left to that counsellor and not be second guessed here in the House of Commons.

We are not cutting the UI benefits to the young man. That is a false statement. The hon. member should withdraw that statement. It is simply not a fact. He should recognize that we have many good public servants working in the province of Quebec giving major help to a lot of young people. They should not be second guessed by the hon. member.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ):** Mr. Speaker, we do not deny the competence of the employment counsellors, but we do deny that the federal government has jurisdiction over manpower training.

Does the minister not realize that this is just one more pitiful example of the federal system's failure to function where manpower training is concerned, which merely strengthens the broad consensus that exists in Quebec in this respect?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member's statement is really not logical, nor does it make much sense.

The presence of the federal government is through the people we have as our public servants who represent the federal government who are doing an effective job in giving good advice. In this specific case, as I just stated, we provide funding of over half a million dollars to the Carrefour Jeunesse. We have

also provided funding for projet La Relance, but we have made some division of responsibility so that we can get more efficiency and more effectiveness out of it. That was a choice that was made very much within the local region.

I believe that trying to turn this into some kind of great abstract argument of the role of the federal government in Quebec simply makes no sense at all. The federal government, as the member well knows, is highly committed to the employment of people in Quebec because we are doing something about it. That is why we have created close to 100,000 jobs in that province in the past 11 months.

* * *

## ETHICS

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, the Prime Minister has said over and over again in the House that his officials had consulted the ethics counsellor regarding the letter by the Minister of Canadian Heritage.

He said over and over again that the ethics counsellor's advice had affirmed his own decision to not fire this minister. The ethics counsellor has a different story. He says that he was not asked to rule on this incident.

Can the Prime Minister explain why the ethics counsellor was set up to be the fall guy for providing bad advice when his advice was not even sought?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have said everything I have to say. We talked to the ethics counsellor. I said to the House that I have consulted a lot of people in my life. I know one thing. At the end of the day, I am responsible. There is no fall guy in this. We have debated that. We went a long way. I have asked every cabinet minister to look over the files and to say whether they have written letters. It is an open process. These documents were public at any time.

If the Reform Party is so smart, why did it not go to the CRTC? These documents were public. Those members did not do their job. We had to tell them what the facts were. We were not trying to have a set up person.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, the Prime Minister says they talked to the ethics counsellor.

Did the ethics counsellor talk to the government? The Prime Minister indicated to us that the ethics counsellor had advised him on the minister's letter and the ethics counsellor says that this is simply not the case.

This morning he said no, and that is clear. The question of course is: What part of no does the Prime Minister not understand? Will the Prime Minister accept responsibility for this contradiction in his integrity and apologize for breaching the trust of the Canadian public?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I thank the hon. member for Beaver River for getting up and giving us a lesson.

Yesterday she made an accusation that was completely false. It was on national TV and she does not even get up to apologize. I do not want an apology from her because I do not need an apology from her.

* * *

• (1440)

[*Translation*]

## PROGRAM FOR OLDER WORKER ADJUSTMENT

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development.

On Monday, the minister stated that he had included in his discussion paper on social program reform proposals regarding older workers who are laid off. But the paper contains no concrete proposal, and does not even make reference to POWA.

How does the minister, after undertaking to make known his intentions regarding POWA, explain that no reference is made to this program in his reform? How does he explain this?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, if the hon. member would read chapter 2 of the green book, he would recognize the entire chapter is devoted to the question of how we can take resources of the federal government, provincial governments and the private sector and redirect them toward proper training, job core development, literacy programs and community based employment through a strategy that would help older workers, young people, workers who need adjustment.

The chapter is devoted to how we basically can improve the entire system of employment development services.

It would seem to me that the hon. member should be able to read the entire chapter and come to the conclusion that it is a brand new philosophy and direction by giving a lot more local control, a lot more responsibility to the people to make decisions about how they get re–employed.

[*Translation*]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, will the minister rise in this House and tell us how, in concrete terms, and in what sense he intends to reform POWA in order to end the discrimination to which older workers are subject, since 75 per cent of them are excluded from the very program designed to help them?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member's facts are simply not true. The fact of the matter is that in the province of Quebec we have approved, in conjunction with the provincial government, because it is a joint federal–provincial program, 65 per cent of the applications we have received. I think the expenditure represents almost 45 per cent of the entire POWA expenditure in that province alone. It has been a very important program.

I do agree with the hon. member in one area. It is an awkward program to run. I am quite prepared to talk with the provinces about how we can improve the program and how we can, as I said in my earlier statement, use many of the existing programs to consolidate into broad based employment services so we can then direct resources to those groups that need it most, and they can help make the choices to put their own signature on their re–employment efforts.

* * *

## CANADA POST

**Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.):** Mr. Speaker, rest assured my question is not one of whining and rewhining about a letter. My question is for the minister responsible for Canada Post.

Canadians from coast to coast and I were pleased last winter when the minister stopped the closure of post offices in small communities which are vital for their social and economic development.

Could the minister tell the House what plan he has to modernize those post offices in order to provide decent, modern, written communication abilities for all Canadians?

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.):** Mr. Speaker, I thank the hon. member for the excellent question. It is an extraordinary question and has particular significance for rural Canada and small communities across the country.

Canada Post will be working co–operatively with a number of federal agencies and departments to see whether it can utilize existing facilities in small town Canada in order to provide better government services to Canadians, and to partner with the private sector so that we can elaborate and bring into these facilities more services in order to serve rural Canadians who are a very important element of Canadian society.

## ETHICS

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, we have clear rules on dealing with quasi–judicial bodies. We have very clear statements in the 1976 Trudeau guidelines. We have the 1984 Starr–Sharp guidelines. We have the government's conflict of interest code. We have the guidance for ministers guidelines. The guidelines from the Privy Council are very clear.

• (1445)

I ask the Prime Minister: Since the government has plenty of guidelines, is not the real problem a shortage of confidence and integrity from the front benches?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have a very competent cabinet.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, it is wonderful to see how the government side gets its exercise for the day: up and down, up and down.

The government's pursuit of improved ethical guidelines is just a red herring to divert attention from the failures of the Minister of Canadian Heritage and from the incredible lapses in the Prime Minister's office. Reform MPs will not be diverted.

**Some hon. members:** Oh, oh.

**Mrs. Brown (Calgary Southeast):** Despite the shrieking Liberals, Mr. Speaker, I would like to be able to put my question.

When is the Prime Minister going to live up to all of his talk about integrity and responsibility and ask the Minister of Canadian Heritage to resign?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I do not want the Reform Party to change its policies and divert. It has the right policies to lose the next election so badly that we are supporting Reformers to stick to these policies. This is why we want them to stay on it.

I made the decision about this problem and I have informed the House of Commons many times. The answer is that I have not asked the minister to resign and he is still a minister.

* * *

[*Translation*]

## NATIONAL DEFENCE

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, my question is for the Minister of Defence.

In a majority report on Canada's defence policy, Liberal and Reform Party members recommended cosmetic changes instead of a real and thorough reorganization of the Canadian Armed Forces.

Committee members from the Bloc Quebecois have dissociated themselves from this report, after the Liberals refused to reconsider Canada's participation in NATO and NORAD and in UN peacekeeping forces.

Considering that only 13 per cent of Canadian defence infrastructure is located in Quebec, while Quebecers meet approximately 25 per cent of Canadian defence expenditures, can the minister undertake to take into account this imbalance that is unfavourable to Quebec before making any cuts whatsoever?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, it sounds to me as if the hon. member is reflecting upon the position taken by his defence critic in response to the committee's report and that is that the Bloc Quebecois advocates defence spending be reduced in Canada and Quebec of course as part of Canada by 25 per cent.

I do not think that is widely known. It was said in the election and it has been reiterated. That is very interesting.

With respect to the report of the hon. members, I have read it with interest. I have read the report of the defence committee. All the members of the House and Senate who took part should be congratulated.

The government will certainly consider its recommendations in the development of the new defence policy.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, given that Quebec already receives proportionately less than its fair share in terms of military equipment, can the Minister of Defence dissociate himself from the defence committee today and give this House the assurance that unacceptable decisions such as the closure of the military college in Saint–Jean will not be repeated in the case of Bagotville or Saint–Hubert?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the only comment I wish to make is that as a result of the budget cuts that we announced in February of this year defence spending in Quebec actually increased by 3 per cent. That was because of the severity of cuts elsewhere in the country.

• (1450)

I have said this before in the House. We will look at the committee's report. We will look at the report of the hon. member and his party and we will take all of that into consideration in the formulation of a new policy.

## ETHICS COUNSELLOR

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, the Prime Minister did not know for sure what it was but the other day he said the buck or the puck or whatever it is stops with him.

I have news for the Prime Minister. The buck stops with the Canadian people and they are fed up with governments that put political survival before integrity. The guidelines are clear. We have four different guidelines. Everyone of them makes it wrong for a minister to telephone or influence a judge or a quasi–judicial body in his control. That is clear. Yet we are not getting an answer.

**The Speaker:** I would ask my hon. colleague to please put the question.

**Mr. Epp:** Thank you, Mr. Speaker. Will the Prime Minister promote public trust by giving the ethics counsellor full independence and have him report directly to the House of Commons?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the ethics counsellor has the mandate to report to the House of Commons once a year. He is invited to give advice to all sorts of people. Members of Parliament, ministers, everybody can consult him before doing something. These are private conversations, for example, with any member of Parliament who has a problem with conflict of interest. He is there to give advice but he does not have to report on every case. He gives advice to people. He gave advice to me.

At the end of the day I am responsible. Yes, I said the buck or the puck stops with me and I do not run away when it is coming.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I would like to remind the Prime Minister that he made a red book promise to give the Canadian people an independent ethics counsellor. I do not know why he is now so afraid of that independence.

Will the Prime Minister cut the political strings between his office and the office of the ethics counsellor? If not, why not? Also, how does he balance his response with his own needs and the expectations of Canadians?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, for the first time we have an ethics counsellor who will report to the House of Commons once a year. He is there to advise everybody, including myself.

He gave me advice and he gave advice to other people. It is up to the person who received the advice to keep it or not, but at the end of the day the decision is made by the minister or by the Prime Minister. In this case it is me and I am not afraid to take my responsibility.

## THE ENVIRONMENT

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, my question is for the Minister of the Environment.

The minister is aware of the situation in the harbour adjacent to Massena, New York. Many seaway residents are worried about the environmental damage which could be caused if the safety measures taken do not control the PCB laden silt which will be stirred up as a result of the proposed dredging.

I realize that the minister has stopped the dredging for now. What guarantee can the minister give that she will not allow resumption of any more dredging in the St. Lawrence near Massena until it is proven absolutely safe for the people and the environment in that area?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, we did announce jointly yesterday with the Environmental Protection Agency of the United States that there will be no dredging at Massena this year. I can further assure the House that there will be no dredging unless and until the Department of the Environment and myself as minister are satisfied that there is absolutely no risk to the health of Canadians.

There is no dredging this year. If there is any operation next spring, and I want to thank the EPA and General Motors for their co–operation and their assurances, no dredging will take place where there is any risk of any PCB contamination.

* * *

• (1455 )

## RAIL WORKERS

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, my question is addressed to the Minister of Transport. Early last October as speaker at a dinner sponsored by the western transportation advisory committee, the Minister of Transport made the following comment: "Railway labour with grade eight or nine education cannot be blamed for negotiating excessive collective agreements".

Does the minister realize that his remarks were an insult to the 62,000 rail workers in Canada and is he prepared to make a public apology for his unacceptable and scornful comments?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I thank the hon. member for that question because it provides me with an opportunity to explain to him and to the House exactly what was said.

I am from northern New Brunswick. From the time I was a kid I have dealt with railroad workers. I know who negotiated the contracts. I have listened to the stories of the people who returned from the war and had to negotiate contracts with the railway barons in the country.

What I said that night in Winnipeg was that never, no matter how much pressure is exerted on the Minister of Transport, will I ever point a finger at those men who worked very hard with very limited educations to find a way to negotiate collective agreements to protect their rights and to protect the rights of others who worked on railroads in the country.

I said that government had to take its responsibilities and management had to take its responsibilities. I did say, Mr. Speaker, because it was the truth—I remember Bill Dunn telling me exactly this in Tracadie in 1950—that it was very difficult for people with grade eight and grade nine educations to sit with people who were educated and who were in the pay of the railroads of the country and try to negotiate collective agreements to protect their rights.

I said then I would never attack the men who achieved that and I will not now because they did what they had to do to protect their rights.

* * *

## GUIDELINES

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, day after day we receive more copies of ethical guidelines for cabinet ministers. None of them appear to be unclear. None of them are contradictory. In fact, the current guidelines from the PCO insist there be no intervening by ministers with quasi–judicial bodies under their jurisdiction. The letter tabled said intervention on it.

Now that the truth about guidelines has become obvious will the Prime Minister admit that he has offended Canadians by stripping his government of its integrity?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I made a speech on Monday and I explained the guidelines, the distinction between the two. I have asked everybody to table the letters and so on.

I think the people of Canada think the members of the Reform Party are just trying to score some political points because they cannot attack the government on its economic policy. They cannot attack the government on the performance of the economy. They cannot attack the government because unemployment is down. They cannot attack the government because the mood of the country is much better than it was a year ago.

* * *

## RAIL LINE ABANDONMENT

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, my question is for the Prime Minister. On October 20, 1993, five days before the last federal election, the Prime Minister, then leader of the official opposition, wrote a letter to one of his caucus members.

In this letter the Prime Minister stated that Canada requires a first rate transportation system that is able to serve every region. He also stated that the PC government's continued tolerance to rail line abandonment had done nothing to improve the situation. He stated that the Liberal Party, if elected, would clean up this mess.

• (1500)

The Minister of Transport has stated that he cannot answer my call because he has 175 Liberal calls to answer first. In view of that fact, could the Prime Minister intercede and make sure that after December 15 the people in Saint John have a dayliner to Moncton instead of a bus as promised by the Minister of Transport?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I can only say to the hon. member for Saint John, I have been into her beautiful city on at least four or five occasions to meet with people who have concerns about the transportation system there.

I want to say to the hon. member that we are going to do everything we can to continue to provide services to Saint John and all other parts of the country. However, what we need to hear are some solutions and proposals that make a lot more sense than what was done over the last nine years by the party that she represents.

* * *

## PRESENCE IN THE GALLERY

**The Speaker:** I wish to draw to the attention of hon. members the presence in the gallery of Mr. Jorma Huuhtanen, Minister of Social Affairs and Health from Helsinki, Finland.

**Some hon. members:** Hear, hear.

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## PRIVILEGE

COMMENTS IN QUESTION PERIOD

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I rise on a question of privilege.

Yesterday in this Chamber the Deputy Prime Minister quoted from a letter I wrote to the Minister of Canadian Heritage regarding the concern of one of my constituents without my prior knowledge or permission or the prior knowledge or permission of my constituent.

Mr. Speaker, in your deliberations as to whether what I raise today constitutes a prima facie question of privilege, I ask that you consider the following. Beauchesne's 6th edition, citation 115 reads:

> A question of privilege must be brought to the attention of the House at the first possible opportunity.

Because breaching the right of a member of Parliament is a serious matter, before taking it any further I undertook to obtain the transcript record of what transpired yesterday. I also undertook to consult the legal counsel of the House regarding what had occurred.

The Deputy Prime Minister and by making the aforesaid letter available to her the Minister of Canadian Heritage breached confidentiality and in so doing interfered with my ability to function as a member of Parliament.

By breaching confidentiality the minister has called into question whether or not issues on which my constituents ask my assistance will be made public.

Mr. Speaker, I ask you to find this to be a prima facie question of privilege. If you do so find, as is the usual practice of this House as described in Beauchesne's 6th edition, citation 118, I will move that this question of privilege be referred to the Standing Committee on Procedure and House Affairs.

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, all the letters were part of the public record of the CRTC.

**The Speaker:** I also will avail myself of the transcript of what was said yesterday and I will seek advice. I will do research on it and if necessary I will come back to the House with my decision at the earliest time.

* * *

## POINTS OF ORDER

NEW DEMOCRATIC PARTY

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, I have been rising in my place for the last two days trying to get the floor.

**An hon. member:** It is good exercise.

**Mr. Blaikie:** I have been getting the kind of exercise somebody else was referring to earlier only I have been getting more of it than I want.

Mr. Speaker, you will recall an argument I made to you earlier in this session. I argued that the NDP caucus should be entitled according to the mathematics of the opposition to at least a question and a supplementary and a statement each day. We have not come anywhere near that.

• (1505)

This week we have only had two statements. I have to say that I think the treatment of the NDP caucus in this Parliament by you is abominable.

**The Speaker:** Every day in Question Period I attempt to see that according to the approximate proportion each party has that they get a chance to put questions. It is not always possible in

every Question Period to recognize everyone who stands in this House, although I must say in fairness that I have no difficulty seeing the hon. member for Winnipeg Transcona.

I would respectfully request that if the hon. member wishes to pursue this case I invite him of course to see me at any time at his convenience in my chambers. I would hope that the hon. member would be a little judicious in his comments toward the Chair.

I will do the best I can to see to it that all members get fair treatment in this House as has been my want since I took this Chair. I will see if I can make improvements on my performance. I would surely urge all hon. members to seek to do the same thing in theirs.

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# ROUTINE PROCEEDINGS

[*English*]

## SUPPLEMENTARY ESTIMATES (B), 1994–95

A message from His Excellency the Governor General transmitting to the House of Commons supplementary estimates (b) for the fiscal year ending March 31, 1995, was presented by the President of the Treasury Board and read by the Deputy Speaker to the House.

* * *

## GOVERNMENT RESPONSE TO PETITIONS

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

* * *

## SUPPLEMENTARY ESTIMATES (B), 1994–95

REFERENCE TO STANDING COMMITTEES

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.)** Mr. Speaker, pursuant to Standing Order 81(6) I move:

That supplementary estimates (b) for the fiscal year ending March 31, 1995, laid upon the table on this day, November 2, 1994, be referred to the several standing committees of the House as follows:

• (1510)

This list being rather long and there being a detailed allocation of the supplementary estimates (b) to the committees, if it is agreeable to the House, I ask that the list be printed in *Hansard* as if it had been read. I will file a copy at this time.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

[*Editor's Note: List referred to above is as follows:*]



**To the Standing Committee on Natural Resources**
Natural Resources, Vote 10b, 20b, 30b, 35b and 40b

**To the Standing Committee on National Defence and Veterans Affairs**
National Defence, Votes 5b, 10b and 20b

**To the Standing Committee on Justice and Legal Affairs**
Justice, Votes 1b, 10b and 30b

**To the Standing Committee on Finance**
Finance, Votes 2b, L25b and 35b

**To the Standing Committee on Public Accounts**
Finance, Vote 30b

**To the Standing Committee on Environment and Sustainable Development**
Environment, Vote 10b

**To the Standing Committee on Industry**
Atlantic Canada Opportunities Agency, Votes 1b, and 10b
Industry, Votes 1b, 2b, 10b, 70b, 75b, 80b and 90b
Western Economic Diversification, Vote 5b

**To the Standing Committee on Human Resources Development**
Human Resources Development, Votes 5b, 10b, 30b, 35b and 42b

**To the Standing Committee on Health**
Health, Votes 1b, 5b, 10b and 25b

**To the Standing Committee on Foreign Affairs and International Trade**
Foreign Affairs, Votes 1b, 5b, 10b and 25b

**To the Standing Committee on Canadian Heritage**
Canadian Heritage, Votes 10b, 70b, 75b, 125b and 140b

**To the Standing Committee on Government Operations**
Privy Council, Vote 1b
Parliament, Vote 1b
Public Works and Government Services, Votes 20b, 31b and 41b

(Motion agreed to.)

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## PETITIONS

GUN CONTROL

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** Mr. Speaker, I rise today to present five petitions I have recently received from my constituents in the Ontario riding of Victoria—Haliburton.

The first petition was sent to me by Dr. Jules Sobrien. It calls upon Parliament among other things to refrain from any further gun control legislation in the name of controlling crime which would be of no value and would constitute unjust harassment of lawful gun owners.

SERIAL KILLER CARDS

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** The second petition asks that Parliament amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of

killer cards in law and to advise producers of killer cards that their product if destined for Canada will be seized and destroyed.

HUMAN RIGHTS

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** The third petition asks that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms to indicate societal approval of same sex relationships.

RIGHTS OF THE UNBORN

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** The fourth petition asks that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** The fifth petition asks that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

YOUNG OFFENDERS ACT

**Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.):** Mr. Speaker, I have the honour to present a petition from many hundreds of residents of my riding of Thunder Bay—Nipigon.

The petitioners plead that the crimes committed on society by young offenders are on a serious uprise throughout all of Canada and that there are certain elements in the young people of our communities who have little or no respect for law and order and the protection of life of their fellow citizens. The petitioners abhor the lack of remorse or shame shown by many of the young offenders within our communities.

The petitioners implore Parliament to review and revise our laws with respect to the Young Offenders Act by at least releasing the names and lowering the age to allow prosecution of the young offenders in this country to meet the severity of the crime.

ASSISTED SUICIDE

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I rise today to present three petitions from constituents in Williams Lake, British Columbia.

The first petition calls upon Parliament to ensure that the Criminal Code prohibiting assisted suicide be vigorously enforced.

HUMAN RIGHTS

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** The second petition calls upon Parliament not to amend the human rights act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

RIGHTS OF THE UNBORN

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** The third petition calls upon Parliament to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

I concur with all of these petitions.

ASSISTED SUICIDE

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I have two petitions to present this afternoon, pursuant to Standing Order 36.

The first petition is signed by a number of constituents of The Battlefords—Meadow Lake, all members of the Ukrainian Catholic Women's Organization in The Battlefords.

The petitioners draw the attention of the House to the following: Decriminalizing assisted suicide or legalizing euthanasia could lead to a reduction of patient–physician trust and respect, the degrading of the value of human life and the erosion of moral and ethical values. Palliative care is active and compassionate care which can relieve the pain and suffering of terminally ill persons and families without the dangers of suicide.

• (1515)

Therefore the petitioners pray that Parliament continue to reject euthanasia and physician assisted suicide in Canada and that the present provisions of section 241 of the Criminal Code of Canada which prohibits the counselling, procuring, aiding or abetting of a person to commit suicide be enforced rigorously, and that Parliament consider expanding palliative care that would be accessible to all dying persons in Canada.

CANADA POST

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, the second petition is signed by a number of residents of various parts of Canada. The petition presented to me states that Canadians for several decades have been provided home delivery of their mail not by privatized post offices but by Canada Post post offices.

Further, the recent introduction of supermailboxes has further reduced and eroded post office services that all Canadians have come to expect as a normal federal government service.

Therefore the undersigned petitioners pray and call on Parliament to end privatized postal outlets and reinstate full postal services and products normally provided by Canada Post through sub post offices.

RIGHTS OF THE UNBORN

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I have the privilege of presenting two different petitions today.

One is signed by 387 of my constituents regarding the issue of abortion. Now that an abortion clinic is opening across the street from the Parliament Buildings the issue is receiving new life and I hope higher priority on the political agenda.

My constituents are concerned that unborn human beings do not receive the same protection as those who are allowed to be born and they request that Parliament act immediately to extend protection to the unborn child.

I too am concerned that there is currently no law in Canada protecting unborn children.

HUMAN RIGHTS

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I also have the privilege of presenting two additional petitions today signed by 124 of my constituents.

Their concern has led them to sign a statement which says that a majority of Canadians believe that same sex couples should not receive the same privileges as heterosexual couples. They also say that the Canadian human rights code should not be amended to include the undefined phrase sexual orientation.

I share their concerns and I want them to know that I concur with their sentiments.

ASSISTED SUICIDE

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I rise to present three petitions to the House.

In the first one the petitioners pray that Parliament ensures that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia. I concur with this petition.

HUMAN RIGHTS

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the second petition has to do with the issue of sexual orientation.

The petitioners pray that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation. I concur with this petition.

RIGHTS OF THE UNBORN

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, my third petition has to do with the rights of unborn human beings.

The petitioners of Mississauga South and the surrounding area pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings. I concur with this petition.

HUMAN RIGHTS

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, I have three petitions.

The first petition is signed primarily by constituents of Scarborough West but also surrounding areas. They pray and request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Human Rights Act to include the prohibited grounds of discrimination the undefined phrase sexual orientation.

RIGHTS OF THE UNBORN

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, the second petition is signed primarily by residents of the town of Frankford, Ontario who have requested me to bring this petition to the attention of the House.

They have asked that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, the third petition is signed primarily by residents of Smiths Falls, Perth and Lanark in Ontario. They have asked me to present this petition for them.

● (1520)

The petitioners ask that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I concur with all three of these petitions.

LEONARD PELTIER

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I have two petitions on the matter of Leonard Peltier. One has 175 or so

signatures, the other has 75. They are signed largely by people from Peterborough riding but also from elsewhere in Ontario.

These people petition Parliament stating that at the time of the Lakota–Chippewa native American Leonard Peltier's extradition from Canada to the U.S., the information provided surrounding Mr. Peltier's case was fabricated by U.S. authorities. Since that time new information has emerged that indicates that Leonard Peltier was not guilty of the crimes for which he has spent the last 18 years in prison.

Therefore these petitioners request that Parliament hold an external review of the 1976 extradition hearing and that he be brought back to Canada for asylum.

I would like to say the last time I presented one of these petitions I made the point that an internal review is already under way but I would stress that these petitioners want an external review.

RIGHTS OF THE UNBORN

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I am presenting three petitions for my constituents in the Collingwood–Stayner area.

The first petition contains 67 signatures and calls on the government to amend the Criminal Code to extend to unborn children the same protection enjoyed by born human beings.

HUMAN RIGHTS

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.):** Mr. Speaker, the second petition contains 63 signatures and calls on the government not to amend the human rights code in relation to the recognition of same sex relations.

ASSISTED SUICIDE

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.):** Mr. Speaker, the third petition contains 60 signatures and calls on the government to ensure that the present provisions in the Criminal Code with regard to assisted suicide be enforced vigorously and to make no changes to the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

CRIMINAL CODE

**Mr. John Solomon (Regina—Lumsden, NDP):** Mr. Speaker, it is a privilege for me to stand this afternoon to present two petitions.

The first petition is signed by residents of my constituency of Regina—Lumsden, as well as the communities of Copper Sands and Pilot Butte in Saskatchewan. Pursuant to Standing Order 36, this petition is duly certified and states that whereas under section 745 of the Criminal Code of Canada convicted murderers sentenced to life imprisonment without chance of parole for 25 years are able to apply for review after 15 years and that the murder of a Canadian citizen is the most reprehensible crime, these petitioners request that Parliament repeal section 745 of the Criminal Code of Canada.

THE SENATE

**Mr. John Solomon (Regina—Lumsden, NDP):** Mr. Speaker, the second petition I have to present today pertains to the Senate.

The petitioners are from the constituency of Regina—Lumsden primarily. They believe that the Senate, being unelected and unaccountable, has become a home of recipients of Tory and Liberal patronage, and has been a discarded notion of a working body in the best interests of Canadian taxpayers over the past number of years. Because the Senate costs $54 million to $55 million per year to Canadian taxpayers, and that travel costs for senators alone are nearly $3 million, these petitioners request, pray and beg the House of Commons, the Parliament of Canada and the Government of Canada to abolish the Senate.

ASSISTED SUICIDE

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, it is my pleasure to present two petitions to the House today.

In the first, petitioners pray and request that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, in the second petition, the petitioners pray and request that Parliament not amend the human rights code, the Canadian Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

It is my pleasure to present these to the House.

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## QUESTIONS ON THE ORDER PAPER

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 71 will be answered today.

[*Text*]

Question No. 71—**Mr. Caccia:**

With respect to the World Cup Soccer games and the Canadian Broadcasting Corporation (CBC), (*a*) did CBC submit any bid for TV broadcasting in Canada for the 1994 games, (i) if yes, how much did it bid, (ii) if no, why not and (*b*) will CBC commit itself to compete for broadcasting rights in Canada for the 1998 World Cup soccer games?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** (a) no; (ii) the CBC did not bid for any of the 1994 World Cup soccer games because its summer schedule was already very heavily committed to sports, particularly the 100 hours of coverage from the Victoria Commonwealth Games; (b) at this point it is too early for such a decision.

[*English*]

**The Deputy Speaker:** The question as enumerated by the parliamentary secretary has been answered.

**Mr. Milliken:** I ask, Mr. Speaker, that the remaining questions be allowed to stand.

**The Deputy Speaker:** Shall the remaining questions stand?

**Some hon. members:** Agreed.

* * *

• (1525)

### MOTION FOR PAPERS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I ask that the notice of motion for the production of papers be allowed to stand.

**The Deputy Speaker:** The parliamentary secretary requests that the notice of motion be allowed to stand. Is it agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[*Translation*]

### CANADIAN WHEAT BOARD ACT

The House proceeded to the consideration of Bill C–50, an act to amend the Canadian Wheat Board Act, as reported (with amendments) from a committee.

SPEAKER'S RULING

**The Deputy Speaker:** Here is the Speaker's ruling on Bill C–50. Five motions in amendment are listed in the Notice Paper at the report stage of Bill C–50, an Act to amend the Canadian Wheat Board Act.

[*English*]

Motions Nos. 1, 4 and 5 will be grouped for debate and voted on separately. Motions Nos. 2 and 3 will be debated and voted on separately.

[*Translation*]

I will now put Motions Nos. 1, 4 and 5 to the House.



MOTIONS IN AMENDMENT

**Mr. Jean–Guy Chrétien (Frontenac, BQ)** moved:

That Bill C–50, in Clause 2, be amended by adding after line 10, on page 2, the following;

"(1.1) The Board shall recommend to the Governor in Council a rate to be fixed for deductions pursuant to subsection (1) after consultation with persons or organizations that in the opinion of the Board represent the holders of certificates and the Governor in Council shall take into consideration the recommendation of the Board in fixing a rate for deductions pursuant to subsection (1)."

**Mr. Leon E. Benoit (Vegreville, Ref.)** moved:

That Bill C–50, in Clause 2, be amended by replacing lines 43 to 46, on page 3, with the following:

"by giving notice in the application for a permit book for the period that no deduction should be made for the period."

**Mr. Vic Althouse (Mackenzie, NDP)** moved:

That Bill C–50, in Clause 2, be amended by replacing lines 14 to19, on page 4,with the following:

"33.5 A deduction fixed by the Governor in Council shall apply at the same rate to all holders of certificates in the designated area."

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, the two amendments that we propose regarding Bill C–50, an Act to amend the Canadian Wheat Board Act, are cautionary measures. Indeed, some protection must be provided to agricultural producers.

The purpose of the bill is to allow the Canadian Wheat Board to make deductions from wheat and barley producers' final payment cheques. The purpose of these deductions, or check offs, is to finance plant breeding research. Contributions will be made on a voluntary basis.

Since the bill meets the expectations of western producers, we can only applaud this initiative which imparts a responsibility to agricultural producers. However, some provisions deserve a closer look and we should even be prepared to amend those if need be. This is the case with the provision concerning check offs for research.

• (1530)

The initial provision provides that the Canadian Wheat Board shall, with the approval of the Governor in Council and at such rate as is fixed by him, make the deduction. The danger with this provision is that the Governor in Council may unnecessarily increase the deduction and reduce the federal government's own research budget, thus forcing producers to shoulder a heavier burden. In that case, agricultural producers would have to make a greater contribution to research funding.

Based on the original rate, that is 40 cents on each tonne of barley sold and 20 cents on each ton of wheat sold, and based on the assumption that 90 per cent of farmers will voluntarily participate in this funding scheme to promote research and development, contributions should total $4.5 million.

The Canadian government currently provides between $17.4 and $17.5 million. Consequently, a total amount of about $22 million could be allocated to research on wheat and barley in the four western provinces. Again, my fear is that cabinet might decide to increase farmers' payments and lower the federal government's contribution. Should that happen, farmers would have to fund a greater proportion of the research and development budget. I may recall that in a speech made here in the House, Eugene Whelan, a former Liberal Minister of Agriculture, who has made quite a name for himself throughout the world, said that there is a return of seven dollars on every dollar invested in research and development in the agricultural industry.

The government should invest now in research and development, because no bank in Canada will give us a better return on our investment. The government could, of course, take advantage of this opportunity to cut its research budget as a deficit reduction measure, in the knowledge that it can tap the incomes of grain producers for the funding it needs.

To preclude this possibility, we in the Bloc Quebecois suggest that the CWB conduct consultations with individuals and organizations that represent certificate holders so that the board itself can make recommendations on the rate of deduction to the Governor in Council, who would then consider such recommendations when the time comes to fix the rate as provided in subsection (1) of the Act. In addition to providing safeguards for producers, this would also benefit consumers who, in the end, have to pay, because if the producers have to spend more on research, consumer prices may very well be affected.

This amendment will require genuine consultations with the principal parties, people in the industry who are in the best position to know what a reasonable deduction would be and what our research and development needs are. In any case, I may remind the House that farm producers in the four Western provinces are entirely free to say yes or no to this voluntary deduction, which will be used to collect $4.5 million for research and development. Should the Governor in Council start throwing his weight around, I assume farm producers will simply decide not to participate.

• (1535)

The amendment also gives producers some say in determining the amount of the deduction, and since this bill is a response to their initiative, it is entirely fair that this should be the case.

We are aware that the Canadian Wheat Board, an agency established to defend the interests of producers, consults producers on decisions as important as setting the deduction rate. But this is only to make it automatic and include it in Bill C–50.

I would go as far as saying that our amendment proposal will give the Canadian Wheat Board enhanced legitimacy vis–a–vis the Governor in Council, as it should be the case on the issue before us today.

My proposal is clear: to allow those who are the most qualified to set the rate of deduction do so. These are my arguments in favour of Motion No. 1 and I would like to take this opportunity to thank my colleague from Lotbinière, who sits with me on the Standing Committee on Agriculture and Agri–Food, for seconding Motions Nos. 1 and 2.

Now, turning to the famous Motion No. 4 put forward by the hon. member for Vegreville, it is important to note that this motion introduces two significant changes to Bill C–50. First, we eliminate the red tape and make life easier for producers.

I imagine that the situation is no different in Western Canada than in Quebec. In my riding, indeed everywhere in Quebec, producers and voters ask us ten times a week: "Why make things so complicated?" This is one such case. When it comes to withdrawing from the deductions plan, why make life difficult for our farm producers? What my colleague from the Reform Party, the hon. member for Vegreville, is proposing here makes a lot of sense. It will cut the red tape.

Motion No. 4 deals with the procedure for opting out of the voluntary deductions plan to support research. The bill provides for filing a separate notice to withdraw from the program, whereas it is suggested here that this notice be given in the permit book that producers have to fill in when they sell their crop to the board. There should be space provided at the bottom; you check off one or two boxes and there you have it.

This makes life easier for producers who do not wish to contribute to research, and spares doing unnecessary paperwork. But there should be a space provided specifically for this purpose inside the book, in order not to make life unduly difficult for the board.

I would like to conclude by saying that, with this amendment, producers will have to decide whether or not to continue contributing to the research fund at the wrong time of the year. That is to say, when they see their income for the year. But since this is the risk you take with a voluntary contribution plan, I will vote for this amendment.

• (1540)

[*English*]

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, I am pleased to rise today to speak to the three amendments in the first package today, amendments 1, 4 and 5.

I will start with amendment No.1 which puts in this bill a requirement for consultation with the people who would be affected by research done with the money collected through this fund established by the Canadian Wheat Board.

There is need for consultation. Certainly my concern with that amendment is that by putting it in the act it may lead to more consultation than is necessary. I say that because in this case the check off is refundable. Because of its refundable nature I suggest that when the research foundation is setting the level of funding it should be careful to make sure that the level is reasonable.

Because of the refundable nature I think this amendment is not needed and may cause a lot of extra bureaucracy beyond what is necessary. For this reason I do not think I can support this amendment, although I do recognize the need for consultation.

Another concern is that it still leaves the power to make the decision in terms of the level of the check off in the hands of the governor in council. The power should be left strictly in the hands of the Western Grains Research Foundation, the organization that will allocate the funding for research. For that reason I cannot support that amendment.

Amendment No. 4 is the Reform amendment which, as the Bloc member has stated very clearly and very well, would simplify the process that farmers would have to go through in order to get a refund for their research funding.

This amendment would put on the permit book application form, which every grain farmer receives every year, another box and require the farmer to check off the box if they want to get a refund on their check off for this particular year.

Some argue that it is really not a problem for a farmer to write a letter for a check off. As a grain farmer I know that farmers are inundated with stacks of letters and requests, a tremendous amount of book work they do not ask for. This would just be another piece of paper, another duty, another responsibility, another process they would have to go through to do business. I think there is far too much government interference right now. Certainly farmers would appreciate this simplification of the process. I believe simplifying the process of refund would be very worthwhile in this bill.

Amendment No. 5 put forth by the NDP is really asking for the wheat board to have complete control to interfere with check offs that are presently in place. For example, right now the western barley growers have a refundable check off through the Alberta Barley Commission. Barley farmers selling barley in Alberta already have a check off in place. This amendment would require that the people selling barley would have a check off by the wheat board as well as by the Alberta Barley Commission. For that reason it would cause a double check off or would cause the barley growers to give up their check off.

• (1545)

It is a general Reform principle that the closer to the people one can put decision making, the better the decision will be. In this case I believe it would be better to leave it in the hands of the barley producers in Alberta, just as an example, instead of requiring that all the check offs are done through the Canadian Wheat Board.

I cannot and will not support this amendment because it is just another move to put the power in the hands of this huge bureaucratic monopoly. I can in no way endorse that. Leave it in the hands of the Alberta Barley Commission for example.

I will leave my comments at that. I certainly look forward to speaking on this bill again at third reading.

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, I rise to speak on this grouping of amendments.

One is from the member for Frontenac. He proposes to set up a group with whom the wheat board would consult before setting the rate of the deductions that are provided for under this act. I commend the hon. member for his concern about consultation. However I remind him and the House that there is a group that provides consultation and advice to the board now. It is the advisory committee and the board would be asking for that group's advice.

The board will also be asking for advice and recommendations from the Western Grain Research Fund. It makes certain there is no duplication in the research efforts that go into plant breeding and the research programs that gravitate around plant breeding, whether it is to establish what methods and levels of fertilization should be utilized or what genetic changes should be searched for in order to avoid disease and to get better productivity and yields and to come to fruition in a shorter growing period.

Therefore there is in place already the kind of organization the hon. member for Frontenac envisions. I am sure it will be put to that purpose.

With regard to Motion No. 4, essentially the member for Vegreville is proposing to make it fairly simple for people to opt out of paying into this program. I have no personal problems with that. I would remind the hon. member that if he is going to support the idea of raising money for research through check offs that asking people if they want to save some money when they are applying for their permit book will almost always get the response: "Of course I want to save some money. I will not bother allowing the check off to occur". It will depend on how that part of the application form is drawn to the farmers' attention as to whether they do or do not decide to participate in the check off.

My motion proposes that a deduction fixed by the governor in council shall apply at the same rate to all holders of certificates in the designated area. First there should be a little bit of translation as to what that means.

Holders of certificates are people who are eligible for a final payment under the wheat board for the four pools that exist for various types of barley and wheat. These are people who will have a final payment accrue to them at the end of the crop year when there is a surplus that has accrued from the sales and marketing activities of the wheat board. That surplus is distributed on the basis of how many tonnes of each grade and variety the farmer delivered.

• (1550)

This act is proposing to take a certain amount from each of those pools which would go into specific research which would be designated and allocated by the Western Grain Research Fund. This works in conjunction with the other granting agencies which set out the programs that will receive public funding for research, whether it is for plant research as in this case, or for engineering or other disciplines throughout the country.

I am proposing this motion because the act as written now permits some parts of the wheat board designated area, which for those who do not know what that is, it is essentially the prairie region plus the mountain valleys and the valleys running into Thunder Bay in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. It is essentially the northern end of the great plains region. The climate and the soil and the farming technique there is such that most of the varietal research that will be done will be only applicable to that region. Therefore the plant varieties we develop for that region are usually of no application to regions in the rest of Canada. It is a nice, clear cut area whose economic interest in the area of plant breeding is basically the same.

The province of Alberta has decided to take a check off for barley and some types of wheat. That exists and is possible under provincial legislation. It is Alberta's constitutional right to do so. If we are going to take an action as a federal Parliament with a federal program, it should apply to all of the area the program is designed to cover. There should not be written into the law the ability for some regions to opt out. If some regions want to use their powers under the Constitution to do a similar thing, so be it.

We have plenty of examples of how that has been applied. For instance, when the GST was applied it was applied at the same rate right across the country, even though it was a tax on consumer goods and some of the provinces already had consumer taxes on consumer goods. However there was no recognition that because for example Newfoundland had a 9 per cent provincial sales tax that we would not bother to collect it in Newfoundland because those taxpayers were already contributing to the tax system in Newfoundland.

I think it is inappropriate for us to put forward federal legislation that will apply to all of the wheat board designated region that covers as I said basically the northern plains of North America. That is a very concise and well–defined region that has very clearly defined needs because of climate, geography and agrology for basically the same services. It makes no sense to have a separate rule for growers of some crops in some of the provinces.

Therefore, I would expect that there would be considerable interest in the House to try to apply the rules equitably and fairly across all the regions. I presume I would get support for this very logical motion.

Alberta growers may wish to continue with the activities they have been carrying out under their check off system which is different in many respects from the check off for research that this program is collecting for. As an example, the Alberta program only contributes less than half of their collected moneys to actual research and the the rest is either held in trust or used for administrative costs. With this program however we have been assured by the promoters at the department of agriculture that virtually all of the funds will be allocated for research through the Western Grain Research Fund.

• (1555)

If my amendment does not pass, I do not think it is fair for the contributors in Alberta under the proposal to contribute a lesser amount to the research needs of the area and still benefit from the activities of the surrounding areas. Barley growers in Alberta will benefit just as much as barley growers in British Columbia or Saskatchewan from the research that is done on barley varieties. Yet if we go along with the way the bill is currently drafted without my amendment they will be paying less toward research for the same benefit as everyone else gets.

I have no objection to Alberta growers taxing themselves by means of a check off to perform their political, administrative, and other activities the fund is now engaged in. However they should not expect the rest of us in the other provinces to finance the research and to give them the benefits from barley research they will get by opting out.

I urge members of the House to support this motion because it makes sense, because it is fair, because it is the cheapest way to get the most bucks for research. This will work if Alberta farmers pay the same rate as Saskatchewan farmers, as Manitoba farmers, as farmers in the rest of the wheat board designated area. I urge support for this because I think the only way the federal government and the federal jurisdiction can continue to receive the kind of respect this country ought to receive is if we treat them all in an equitable manner.

**The Deputy Speaker:** Colleagues, it is now the turn of the government to speak. I do not see anybody standing on the government side. I take it there is nobody wishing to speak. Is the minister of agriculture intending to speak? It would be his turn to speak now.

**Mr. Goodale:** Mr. Speaker, I do intend to speak with respect to both groupings of amendments. However, with the permission of the House I would prefer to wait until all relevant comments have been made so that I could respond to them all together, once I have heard all members of the opposition on the points they wish to raise.

[*Translation*]

**Mr. Jean Landry (Lotbinière, BQ):** Mr. Speaker, the Bloc Quebecois wishes to express its concerns about Bill C–50, an Act to amend the Canadian Wheat Board Act, which provides for deductions from the board's wheat sales in the four Western provinces and from barley sales in Saskatchewan, Manitoba and British Columbia.

We certainly agree with the principle that this sector should contribute to research and development and with an initiative that could generate close to $5 million for plant breeding research on wheat and barley. Especially since this initiative was put in place by the producers themselves, who will thus remain competitive with their counterparts in countries where plant breeding research is strongly encouraged. I am thinking in particular of American, European and Australian producers, who played a leading role in reviving government plant breeding programs. That is why a deduction program is vital to Western producers.

However, we are entitled to ask a few questions. While the government really meets this sector's needs by promising to contribute to the research fund, it should not withdraw later because it is a producers' initiative. We must see to it that our interests are truly protected.

• (1600)

That is why the Bloc Quebecois proposed amendments to this bill which, as you will see, my colleagues from other parties will readily approve. Again, they are aimed at protecting producers' interests.

The first amendment provides that it should be clearly stated in the act that the board must consult with producers before changing rates, for example. If it seems obvious to you, then the government should have no objection to putting this in writing in the act. This would provide extra protection for producers. We must ensure that the Canadian Wheat Board always consults producers' associations before recommending changes in deduction rates. The democratic right of any association of producers to be consulted should be respected.

The second amendment is necessary to prevent the department's research projects from duplicating or overlapping the industry's. We are told that those concerned in the farming community will discuss the research plans in order to avoid duplication and overlap and ensure that the funded projects are complementary. The bill says nothing about this and that is why this amendment is essential. We in Quebec have seen too much wishful thinking to believe that the government will always act logically. The Minister of Finance has told us often enough that the government's financial resources are limited. A good way to avoid wasting public funds is to make duplicate research impossible.

We all want to reduce the deficit. When an opportunity to avoid waste presents itself, we should seize it! If you refuse to adopt this amendment, the people will judge you and you will be accused of lax handling of the funds provided by the producers. What we are asking for is a simple effort so that the government does not subsidize the same research activity twice. Show some resolve to end waste—that is what the people expect of us in general and the government in particular.

The Reform Party presented two motions with which we agree. Having the minister table a report will show that the producers and the government actually co–operate. However, we consider the fifth amendment unacceptable. Alberta set up its own program and, considering that we keep asking the government to put an end to duplication and overlapping, we would be ill–advised to let that government impose its program on a province which already funds research through contributions from its producers.

It would be useless to compete with the provincial initiative in Alberta. Quebec's example should be eloquent enough to understand the absurdity of such overlapping. In our province, the federal government never stopped trying to control agriculture. It has been told time and again that the Quebec government already supports farmers. Yet, the federal government is involved in market development as well as in research activities, even though the Quebec government is already looking after these aspects. The same is true for activities related to the inspection of agricultural products. Let us reject this amendment so that Alberta can avoid such problems with overlapping.

As for the other amendments, the bill would become a lot more acceptable if they were supported. As we say back home, you cannot be against virtue.

[*English*]

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I appreciate the opportunity to say a few words on these amendments as they have been grouped today.

I am particularly pleased that the minister of agriculture has indicated that he wishes to listen to all the presentations before responding. I certainly respect that position. I am quite appreciative of the fact that the minister is present today and that he is

taking note of what is being said in response to these amendments.

• (1605)

I would like to take advantage of that circumstance to indicate that the majority of farmers I have talked to throughout my constituency have asked me on as many occasions as I can to speak strongly in favour of a strengthened Canadian Wheat Board and to convey to the minister their concerns that the current debate about the future of the Canadian Wheat Board is one that they have expressed opinions upon for numerous years by their continual support for the board and its activities.

In fact they would prefer a bill in front of the House today that did not deal with check off but dealt with expanded powers for the Canadian Wheat Board, powers that included marketing jurisdiction for oats as in the past and perhaps for canola and other products as well.

On behalf of many hundreds of producers in my constituency who have discussed this matter with me, I would certainly urge the minister to consider bringing forward another bill in the near future to take into account those very issues of expanding and enhancing the jurisdiction and role of the Canadian Wheat Board.

In particular, I want to add a few words to what my colleague from Mackenzie said in direct response to the amendment, Motion No. 5, that he has put in front of the House for consideration and debate today. That concerns the application of the check off to all holders of certificates within the designated area.

The member for Mackenzie spoke very well. I support his arguments about the need for the act to have a blanket application to producers supplying the Canadian Wheat Board with product for sale and therefore not dealing with the exemption for certain Alberta producers who as the member for Vegreville indicated already have a check off in place.

Perhaps when the minister makes his remarks he could address this issue and give the House some information about why the check off for Alberta producers exists in the first place.

I wonder if we know specifically what the Alberta check off is for. We know that the federal check off proposed in the legislation is for breeding research, that the funds that are collected will go specifically for research into plant breeding. Is the Alberta check off for the same specific purpose? If not, why are the Alberta producers not participating in this breeding research program?

Will Alberta producers not benefit from the research that will be commissioned by the WGRF? We do not know if Alberta has plans to continue in perpetuity the check off within that province for its producers.

Under this legislation, if for any reason the Alberta check off were discontinued, would Alberta producers continue to enjoy the exemption allowed by the current legislation or do they automatically get picked up by this legislation?

I believe that we need the blanket provisions. Alberta producers should recognize that the benefits that they would receive under this program are the same as if they were living anywhere else in Canada.

I want to reiterate the point that my colleague from Mackenzie made because it is a most appropriate one. When we look at the way other federal legislation has applied, the Goods and Services Tax Implementation Act is a very good example.

If we applied the same principle to agricultural check off programs as we applied in the introduction of the GST, we would find that the GST would apply only in the province of Alberta, the only province that did not have a pre–existing tax in place as a result of other legislation.

• (1610)

All the provinces, with the exception of Alberta, have a sales tax. If the federal government was applying tax appropriately across the country then obviously the GST could not have applied in other provinces, only in Alberta. It is an interesting point and I think the minister of agriculture might want to give some indication whether or not he would agree with or support that premise.

It is obvious that I am anxious to support the amendment put forward by my colleague from Mackenzie. I look forward to additional legislation that may come forward from the minister of agriculture concerning a stronger and enhanced Canadian Wheat Board.

**Mr. Jay Hill (Prince George—Peace River, Ref.):** Mr. Speaker, I am pleased to rise today to speak on Bill C–50 and the amendments. In particular, I would like to address my comments to amendments Nos. 4 and 5. First I would like to go back a little bit and share with the House my history of involvement with a check off program in the riding I am pleased to represent.

One position I held prior to being elected to this exalted place was with an organization called the B.C. Grain Producers Association. I was a founding member of the organization. I was the first vice–president when it was first formed and subsequently became president of that organization. Over the years, as any struggling organization does, we had to try and sell memberships and raise money to keep the organization running. We had a number of ongoing projects.

One we always wanted to get involved in was in the area of varietal trials and research at local levels. There were always problems with the government operated research farms in areas that did not necessarily conduct research applicable to the Peace River region of British Columbia. We wanted to carry that

research one step further by conducting trials in our area on a field scale.

Over a number of years we came up with a plan to lobby the provincial government to allow the B.C. Grain Producers Association to enact a check off that would automatically come off producers' cheques at the time their product was delivered to the elevators. This check off is now in place and has been for a number of years. It is working quite well, I might add.

I would like to address some concerns that have been raised by my colleague from Vegreville and other members. One real strength of the operation of the check off in the B.C. Peace has been that it is local and is administered at a local level. In other words, the farmers have the option of electing councillors to a regional council that oversees how the money is spent. The problem my colleague from Vegreville mentioned was that once you go beyond that and have a bureaucracy in some distant place administering the money, there is concern with the local producers that they lose control of how that money is spent and whether they get the best bang for the buck, so to speak.

Local producers supported the check off because they could visibly see how their money was being spent. As we moved forward and were able to purchase specialized equipment for plots to expand different varieties of wheat, barley, canola and other grains, we could readily drive by the fields in our area and see how different varieties were producing in comparison to one another. That was a real benefit to the producers.

• (1615)

Subsequently we found that there were very few people who opted out at the end of the year because the check off was and is fully refundable. However, what we found, because it was a local organization, was that at our annual meetings we could certainly do a good selling job to the local producers of what they were getting for their investment. Subsequently we found that very few wanted their money back out of the check off pooling fund.

I am certainly in support of the fact that this check off is totally refundable, as is the one in B.C. However, I am very concerned about the process. I think that is addressed in amendment No. 4 put forward by my colleague and the amount of the extra paperwork. In other words, make it as easy as possible for farmers to opt out of it because after all if it is not easy for them to get their money out they will view this as just another form of taxation, just another expense for them. They have to be convinced to see it as an investment in their future.

All of us in the agricultural industry certainly understand that we have to have and have to find the funds in these days of increasing problems with the government funds being available for research and development. We have to find them elsewhere. Producers are willing to do that as long as they can see the results. To do that we certainly want to pass amendment No. 4 which would allow that there would be as little paperwork as possible to allow the producers to opt out should they decide they are not getting the best investment for their dollar.

The other thing I would like to briefly touch on is the amendment as put forward by the hon. member for Mackenzie in allowing certain groups that already have a check off in place an exemption from it. We had concerns when we were holding meetings in our area of the B.C. Peace region trying to convince producers to come on board and support this thing. We actually had to pass a referendum of the producers before the B.C. government would pass the legislation to allow that check off. They insisted, and rightly so, that the producers supported the concept. To do that the B.C. Grain Producers Association had to go out and hold meetings and actually convince the farmers of the necessity of this and that it would certainly be worthwhile over the long haul.

We did that but one of the real concerns that was expressed to us time and time again was if we vote in favour of this what is to prevent next time another check off by the Canadian Wheat Board or the prairie wheat growers and the list could go on and on. That was the major concern that they voted for with the understanding that there would be no further check offs.

I am quite insistent that we should oppose amendment No. 5 put forward by the member for Mackenzie because it does allow those areas that already have an existing check off the option of trying to get the exemption and not having a double check off put in place.

With that bit of history with my involvement with the check off I thank you very much for the time, Mr. Speaker.

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I have enjoyed and appreciated the opportunity to listen to the remarks that have been delivered by all members with respect to three of the motions that are before us, Motion No. 1, Motion No. 4 and Motion No. 5.

I will confine my remarks at this point in the debate to those three specific motions. I understand we will have a chance later this afternoon to talk about motions 2 and 3.

First, with respect to motion No. 1 proposed by the Bloc Quebecois, this motion would in effect impose a duty for the Canadian Wheat Board, not the Western Grains Research Foundation, to consult with respect to the amount of levies and to make certain recommendations.

• (1620)

The motion would effectively make the Canadian Wheat Board more than simply an administrator of the check off program. In the development of this program proposal and in the lengthy consultations with farm organizations, it was recognized that the Canadian Wheat Board is a marketing institution and not a research agency. Therefore the role of the board in this particular research initiative should be purely administrative.

This has been explicitly discussed and agreed to by all of the farm organizations involved in this initiative.

The Western Grains Research Foundation as a matter of practice consults with its membership on all significant business matters. In turn, the member organizations that are a part of the WGRF consult with their producer membership to gauge support for all of the foundation's activities.

It was that kind of consultation that resulted in the accumulation of a very broad base of farmer support for the check off proposal presently contained in Bill C–50. Should there be any discussion in the future about altering the levy rates from where they will originally be established, there is an obvious and ready mechanism to consult with producers and with producer organizations. That mechanism is the Western Grains Research Foundation, its board, its member organizations and their broad based farm membership at the grassroots level.

This amendment in effect would contradict the agreement and the consensus that exist for implementation of this particular research initiative. Therefore it is not possible for the government to support the amendment because it would contradict that consensus and that agreement.

In addition, we view the amendment as unnecessary in any event because that ready consultative process is already in place through the apparatus and the means of the WGRF.

Motion No. 4 proposed by the Reform Party has to do with the method by which a producer could effectively opt out of the check off procedure.

The resolution that is proposed in motion No. 4 really deals with an operational matter, the method of operation for the check off program. It seems to me that is something which producer groups should decide upon for themselves.

It is my understanding that the Western Grains Research Foundation board of directors has reviewed the motion that is before us at this moment in Motion No. 4. It has considered very seriously the arguments and the rationale put forward by the Reform Party and by others who support the motion. The board of directors of the Western Grains Research Foundation has decided that it would by far prefer to retain the opt out mechanism which is envisaged in the bill and envisaged in its business plan.

The rationale for taking this position on the part of the WGRF is really three fold. First of all, when a person merely has to put a check mark in a box, opting out may be done without a lot of serious consideration going into that decision. Support for agricultural research is in the view of the government and in the view of the WGRF a serious matter and it is important that a conscious decision be made by producers whether to participate in the program. Merely ticking off a box in the wheat board permit book application form may not provide the opportunity for that serious consideration.

Second, writing a letter by a prescribed date is not a very onerous obligation. It does show that the individual has given some thought to the matter and has made a conscious decision to opt out and that evidence of that conscious decision is in the form of the letter.

• (1625)

Third, the opting out mechanism that is envisaged in the bill and in the business plan for the WGRF is consistent with virtually all other existing check off mechanisms and procedures. It is obviously consistent with the wishes of the WGRF and the 12 farm organizations that make up the WGRF.

This is my final point with respect to motion No. 4. It is also important to recognize this amendment would effectively restrict the producer's ability to opt out, to make that judgement call to one specific moment in time. That moment in time would be when the permit book application form is actually being filled out.

The other procedure as we have envisioned it under the terms of the bill and under the business plan of the WGRF would allow the producer more time and more flexibility with respect to making this decision. If the producer had to just tick off the box on the permit book application form, that decision would have to be taken effectively 18 months before the check off would become effective.

The check off becomes effective when the final payment is made, which is basically in January after the end of the crop year. The permit book application form must be filled in before the crop year begins, about 18 months prior to the date upon which the check off would occur. It seems to me that is a time gap that is unreasonable and limits the producer's flexibility and the timeliness of the producer's decision.

Accordingly, for those reasons we are not in a position to support Motion No. 4.

Finally, with respect to Motion No. 5, I certainly would agree with the general comment that the check off systems presently available in the province of Alberta are somewhat less focused in their objectives and more costly in terms of their administration than the check off system being proposed in Bill C–50.

However, the scope of Bill C–50 effectively embodies an agreement that has been reached among 12 producer organizations in western Canada. Part of this agreement, this consensus among producers, is that the activities of the WGRF check off system will not impinge on other established check off schemes.

In developing the consensus necessary to implement this program, the WGRF directors were in unanimous agreement that the program should not overlap upon the activities of other existing check off programs. This means that where existing check offs are in place with respect to Alberta barley and Alberta soft wheat, the WGRF will not make a check off.

The WGRF and existing agencies that are funded by other check offs have agreed among themselves that they will co–operate with each other. They will co–ordinate their research activities to make sure that research dollars from producers, whether collected under one check off or the other check off, are used in the most cost effective and efficient manner to the advantage of grain producers.

This is essentially a producer decision about a producer program. It is not appropriate in my opinion to alter the program in a manner that explicitly contradicts the consensus upon which the program was developed. Part of that consensus at the outset was that there should be no overlap.

I appreciate the comments that have been made by hon. members on Motions Nos. 1, 4 and 5. I regret for the reasons I have already stated the government is not in a position to support these motions. I acknowledge that in putting forward these motions to amend Bill C–50, hon. members have done so in a conscientious and sincere manner. Their close attention to the subject matter is much appreciated.

• (1630)

**Mr. Althouse:** Mr. Speaker, I rise on a point of order. Since we will have to make a decision on how to vote on the basis of the minister's wonderful remarks, I wonder if he would tell us what method he is going to be using to assure that producers of barley, for instance, in Alberta will pay exactly the same amount into—

**The Deputy Speaker:** That is not a point of order.

Is the House ready for the question?

**Some hon. members:** Question.

[*Translation*]

**The Deputy Speaker:** The question is on Motion No. 1. Is it the pleasure of the House to adopt the said motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

[*English*]

The next question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

The next question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 76(8), a recorded division on the motion stands deferred.

[*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 Saskatoon—Clark's Crossing—Social programs reform; the hon. member for Beaver River—Ethics; the hon. member for Mackenzie—Child care; and the hon. member for Winnipeg Transcona—Railway workers.

**Mr. Jean–Guy Chrétien (Frontenac, BQ)** moved:

That Bill C–50, in Clause 2, be amended by adding after line 47, on page 2, the following:

"(5.1) The research funding agency shall not distribute moneys received by it pursuant to subsection (3) to persons or plant breeding centres for a research purpose unless the research funding agency, after reasonable inquiries, has determined that the information to be sought by the research is not and is not likely, as a result of other research, to become available to holders of certificates."

He said: Mr. Speaker, the second amendment we wish to present in the House this afternoon, seconded by the hon. member for Lotbinière, is aimed mainly at preventing duplication by the various organizations that are awarded research contracts and also any duplication of research carried out by the Research Branch of the Department of Agriculture and Agri–Food.

• (1635)

Under Bill C–50, the Canadian Wheat Board will be responsible for distributing monies received as a result of deductions from producer income. The Board will distribute such monies among the various centres engaged in developing new and improved wheat varieties.

The purpose of our amendment is to make it clear that the agency must, after reasonable inquiries, have determined that the information to be sought by the research is not, and is not likely, as a result of other research, to become available to the producers. In other words, we must make sure we are not paying twice for the same research. To do so, we need consultation between the research funding agencies.

Take the example of Agriculture Canada conducting research on possible alternate processing of red wheat. If the Canadian Wheat Board does not make the necessary inquiries, it might provide funds to an agency in order for it to carry out similar research, and producers would end up paying twice for research seeking the same information.

This measure would also oblige Agriculture Canada to carry out its research mandate on behalf of producers. If private agencies wish to receive research funds from the CWB, they will clearly have to align their research activities with the interests of producers, who ultimately are the ones making the recommendations. Thus, if Agriculture Canada does not carry out its mandate well, independent research agencies will step in to meet producers' needs.

The Canadian Wheat Board will be obliged to increase the amounts given to independent agencies and to increase the contribution from producers, who will again pay for a duplication of services. If producers see their contributions increasing unduly, that would be a good sign that Agriculture Canada was not meeting the needs of the clients it serves, because private agencies would have to take over the department's work.

As set out initially in the bill, however, the measure allows Agriculture Canada to diversify its areas of research. If, for example, grain production picked up substantially and for this reason more research than earmarked for the sector was necessary, another sector might suffer. This could happen to dairy producers, for instance.

This bill give producers a chance to have research conducted on demand. With the element of information we are adding, it would be very interesting to see that organizations eligible for CWB grants do not need such grants because the Minister of Agriculture satisfies any requirement this farm production sector may have. It could mean that other sectors are probably being neglected.

• (1640)

Our proposal is designed to prevent Agriculture Canada from focusing on one single aspect of grain production in terms of research. One potential risk that should be kept in mind and could be countered with our amendment proposal is that larger producers end up running the show at the expense of smaller ones. Insofar as the voluntary contribution is based on the number of tonnes of wheat sold, larger producers will inevitably make larger contributions to this fund because they produce more than the others.

If research is not adequately suited to the needs of smaller producers, the Canadian Wheat Board will be able to react to this threat. Since it will be monitoring the research activities, it will know exactly what is the fruit of the research it is supporting.

In closing, I would like to point out that initiatives such as those put forth with respect to Bill C–50, which show a commitment on the part of producers to assume responsibility for themselves, are encouraging. To sit idly by and wait for the department to resolve our problems is not a very effective approach, in my view.

The cautionary measure we want to include in this bill is simply aimed at greater protection. The Minister of Agriculture and Agri–Food must not see this measure as an excuse to neglect his duty to Western grain producers to promote research.

In closing, may I remind you that producers will contribute to this research fund on a strictly voluntary basis. If the Minister of Agriculture and Agri–Food ever abuses the good faith of grain producers, he will live to regret it. There will be a protest movement, producers will withdraw, and he will end up financing research and development by himself.

Partnership is another key to success in research and development. When producers are directly involved in research, development, or co–operation, they co–operate wholeheartedly. Farmers, as is well known, are the workers who show the most solidarity in Canada, or at least in Quebec. I personally can tell you that if the Minister of Agriculture still thinks that he has a monopoly on truth, he is sorely mistaken.

The amendments proposed in this House by the Bloc Quebecois, the Reform Party and my colleague from Mackenzie—some of which I think are relevant—are not meant to thwart the Minister of Agriculture and Agri–Food. On the contrary! It is to help him and at the same time to help farmers in the four western provinces. Of course, the Bloc Quebecois has nothing to gain politically in this matter, but we are doing it as members of the Official Opposition and we are also acting in accordance with the old principle that if your neighbours are prosperous, you will also benefit and live well.

• (1645)

With that, I call on my colleagues in the Reform Party and the NDP and the Minister of Agriculture to read this amendment carefully. I ask the minister for once not to say no just because it comes from the opposition. I ask him for once to try to assess it for what it is worth and to support this motion.

[*English*]

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, the amendment proposed by the hon. member for Frontenac would, I believe, require that the funding which is gained from the check off on wheat and barley which passes through the Canadian Wheat Board is spent on research.

If this motion did put in the hands of the Western Grain Research Foundation the responsibility to ensure that there is no duplication in research, then I would support the motion. However, this motion puts this responsibility in the hands of the Canadian Wheat Board through the Canadian Wheat Board Act. A responsibility that should be in the hands of the foundation will now be in the hands of the Canadian Wheat Board.

A brand new level of bureaucracy will be added to the process. The Canadian Wheat Board certainly is not the one you would want to add to as far as bureaucracy is concerned because it is a very large bureaucracy. It would be counter productive to have the Canadian Wheat Board as it is set up now deciding whether there was duplication in funding.

I believe it would be a big mistake to give the Canadian Wheat Board control and get it involved in the process of allocating funds. For that reason I cannot support this motion.

The Canadian Wheat Board is a monopoly that is not accountable to anyone it seems. I said the other day that it is not even accountable to God because it thinks it is God. Certainly it is an organization that has power beyond what the farmers who pay for the operation want.

The Canadian Wheat Board ought to be run by an elected board of directors and farmers across western Canada, as proposed by the Reform Party. That type of organization could be involved in making a decision such as this but certainly not the board as it is.

I strongly oppose this motion because it adds another level to the decision making. That level is the Canadian Wheat Board which is a large bureaucracy and one which would make this bill, which I support, not as good.

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, I was not going to intervene on this motion until I heard the member for Vegreville. I wonder if he was speaking to motion No. 2 because he does not seem to have read it the way the hon. member for Frontenac wrote it.

We should remind ourselves that the research funding agency that is mentioned in the motion by the hon. member for Frontenac is to be the Western Grains Research Foundation. If members look at the section of the act where this all starts, the deductions for research portion on page 2 explains that the board collects the funds and then turns it over to this research funding agency.

• (1650)

The motion we have before us from the member for Frontenac directs that the research funding agency, which will be the western grains research fund, shall distribute funds to persons who will make the results of their research available to the people who contributed to it, namely the producers. I do not see anything wrong with that. This is something that should pass as a matter of course. However I realize the way some bureaucracies work and some funding works it does not always happen.

I do not know if the people who contribute to the check off for research in Alberta necessarily know what varieties of plants their deduction money has gone into. Neither do I know if the designation of research is the same in each case. In the bill it is quite clear that the funding will be for plant breeding research. It is not clear what the deductions are in some of the other provinces.

I hope the research granting agency, which is the western grain research fund, will make certain that it collects the same amount per tonne from producers in Alberta as is collected from producers in Saskatchewan, British Columbia or Manitoba. Whether it comes from a different collecting group should be irrelevant, but I hope that the same amount of moneys for a tonne of grain goes into the research granting agency from Alberta producers as is coming from Saskatchewan or Manitoba producers.

If that does not happen a lot of screaming and yelling will be going on by producers in Saskatchewan if this duality that the minister appears to be willing to support and which apparently the Reform Party is willing to support results.

If we cannot have fairness in the funding of research and openness to the point of allowing the people who pay for it know what the results are, then we are on a long, slippery slope into another form of taxation and another way for government to opt out of providing the kind of research dollars that it ought to have supplied in the first place.

I have one other thought as I look at motion No. 2. Since this money is being collected directly from farmers to finance this plant research I would hope that when a variety is developed that those same farmers will not be asked to pay fees under plant breeders' rights for the privilege of growing the variety they paid to produce.

I believe that is what the member for Frontenac is trying to avoid. If we know what varieties our money has produced as a result of the deductions from our grain sales then we should not have to pay plant breeders' rights on those varieties because we have already paid for them once, thank you very much.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I will take just a few moments to comment on the amendments in front of us this afternoon, motions No. 2 and 3, before we conclude the debate.

I could not help but notice a few moments ago, when the minister of agriculture rose to speak on motions No. 1, 4 and 5 and the following interventions by a number of members on this side of the House, including myself, that many of the issues we raised were not addressed in his responses in reply.

In particular, I was expressing the support of my constituents in northwest Saskatchewan for the strengthened and enhanced Canadian Wheat Board.

• (1655)

I hope the minister takes an opportunity before the end of the day to express to the House, to producers in Saskatchewan and the prairies his support and his party's support for a strengthened Canadian Wheat Board, a marketer of Canadian grain.

Certainly, Mr. Speaker, coming from the west you realize that the Canadian Wheat Board has long benefited the producers in western Canada. It has always found premium markets for Canadian grain. Those premium markets occasionally come close to the Canadian border as they do today.

Those people, including the Reform Party, who support dual marketing of grains forget that the premium market is not always across the Canada–U.S. border. The premium market is sometimes in Japan or Saudi Arabia. With the agricultural situation in China today it is quite possible that the premium market may exist there in the near future. Under no circumstance could any of the dual marketers survive without the Canadian Wheat Board in a marketplace that is dominated by a nation outside of North America. In any case I hope the minister of agriculture would take a moment to discuss that.

More to the point of the amendments, I could not help but add my voice to that of the member for Mackenzie who just talked about plant breeders' rights. Members of my constituency a few years ago were opposed to the introduction and passage of the plant breeders' rights legislation. They said at that time the legislation would lead to a greater concentration of agricultural breeding in the hands of multinational corporations and other corporations that would push up the cost of producing agricultural products, grains in particular. When the costs of producing the product increase and the results of plant breeding are tied in with fertilizer and chemical production of any kind, then the input costs rise as well.

My constituents are now seeing a possible tie between legislation that perhaps turns some of their contributions to plant breeding over to those individuals or corporations which may financially benefit from their breeding programs at the expense of the producer. This is a situation to which the government should pay very close attention because we cannot jeopardize public supported research in grain varieties to benefit the corporations to the detriment of the producers and the industry.

I have spent a great deal of time as the New Democratic Party's environmental critic working on issues of population and the environment. These issues have helped me to understand that the need for agricultural product must be increasing with the increasing populations. Whether we are feeding grains to people or whether we are feeding grains to cattle, fish or other sources of protein or food for human consumption, the growing of grain will become very important to the future of the world as populations increase.

Yields must increase. Therefore the transfer of support and resources to the producers of the grains must also exist to ensure that we have a steady supply from this part of the world where grains grow so well and to ensure the transfer of the benefits of that growing to the areas of the world where populations are also growing.

• (1700)

For that reason alone, even though it is not fully intended in Motion No. 2, I would look favourably upon Motion No. 2 as it appears before us. Obviously, from my remarks I hope the minister of agriculture will have some additional matters to think about as he looks to additional legislation and perhaps even additional amendments to this legislation in the future.

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** During the course of the debate this afternoon on the various motions that we have had before us members opposite have invited me in my responses to go quite a distance beyond the precise subject matter that is the focus of the debate today.

While I am indeed tempted to respond at length and in a wide ranging way to some of the remarks that have been made by all of the speakers this afternoon on Motions Nos. 1, 2, 4 and 5, I will continue my practice of restricting myself to the precise

subject matter that forms the point of the debate and save the wider ranging commentary for another time.

The fact that I do not happen to mention some of those other things should not be taken as any kind of disinterest in the subject matter. I am simply holding my fire.

Motion No. 2, the further proposed amendment by the member for Frontenac, is directed to the point that research efforts funded by the proposal in Bill C–50 should not be duplicative or overlapping. I take that as a valid point. Unfortunately, the proposed amendment would really not offer any assurance of no duplication and no overlap other than just comfort language. Quite frankly, I do not think that is realistic. The avoidance of research duplication in reality is a primary objective of the Western Grains Research Foundation. To this end, the foundation has already established a very close working relationship with both public and private research establishments, including a very close working relationship with Agriculture and Agri–Food Canada researchers.

Further to this the foundation has consulted with and it intends to work with existing producer–funded research programs—for example, Alberta barley—to ensure that there are not turf wars started and that research efforts are co–ordinated.

Since this type of co–operation and co–ordination of research is already an established practice, it would not be useful in my view to proceed with the motion contained in Motion No. 2. Incidentally, I would add that in its present form I believe the amendment is unenforceable in any event.

I conclude by saying that I fully understand the spirit of what the hon. member is trying to achieve. I think it is achieved otherwise through the WGRF and I cannot recommend this particular amendment to the House.

**The Deputy Speaker:** Is the House ready for the question?

[*Translation*]

**Some hon. members:** Question!

**The Deputy Speaker:** Is it the pleasure of the House to adopt the said motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 76(8), the recorded division on the motion is deferred.

[*English*]

**Mr. Leon E. Benoit (Vegreville, Ref.)** moved:

That Bill C–50 in clause 2 be amended by replacing line 39 on page 3 with the following:

period ending on December 31, and the Minister shall lay the report before the House of Commons on any of the first fifteen days on which the House sits following the day the Minister receives the report.

• (1705)

He said: Mr. Speaker, amendment No. 3 is about accountability. The Western Grains Research Foundation is required under this legislation to report to the minister once a year. All we are asking for in this amendment is to require that any report to the minister is made public through the House of Commons. That is the intent of the motion.

I cannot possibly see how this government would be against this accountability. I do not know why a report from a body such as the Western Grains Research Foundation should be kept under cover. I do not know why it should not be a public document.

The Western Grains Research Foundation, I just want to acknowledge, has an annual report that is made public every year but that does not necessarily mean that the report that it sends to the minister is the same report.

That is why I want this report which is sent to the minister every year made public through this House. That is what the intention of this motion is and I believe that is what it would do if it was passed.

[*Translation*]

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, I want to comment on Motion No. 3, moved by the hon. member for Vegreville. First, I would like to say that we support that proposal to the effect that a report must quickly be tabled in the House of Commons.

For reasons of transparency, annual reports submitted to every minister must be tabled in the House, so that all parliamentarians can quickly have access to them. If our good friend the Minister of Agriculture receives a report, he should not keep it to himself for months. We, members of the opposition, have a right to see that report as quickly as possible. As you all know, if a report is made public after a six–month delay, it has lost a great deal of its timeliness. It no longer generates the same interest.

The proposal made by the hon. member for Vegreville makes a lot of sense. As regards agriculture we, members of the

opposition, work primarily for the agricultural community and, in doing so, we also work for the 28 million Canadian and Quebec consumers. Indeed, we do not work exclusively for the agricultural community. We work for everyone, and that includes producers and consumers.

If the minister believes in transparency for his party, he should support the motion tabled by the member for Vegreville. In its original bill, the government merely proposes that a report be tabled to the minister as soon as possible. If there is still some fortitude left in this House, if transparency is really a concern, as the Prime Minister mentioned again today, why not accept that it be done within two weeks of the minister receiving the said report?

Right now, the government's transparency somewhat resembles the St. Lawrence River, you cannot see anything a few centimetres below the surface. The proposed amendment is very interesting because it does not put pressure on the agency, but on the minister. Indeed, it suggests that the minister shall lay the report before the House within fifteen sitting days of the day the minister receives the report.

• (1710)

All of us elected representatives from Quebec and Canada have the right to have access to the report within fifteen days.

Since such a wish can be easily granted, I wonder how anyone could oppose an amendment making a minister accountable to the House of Commons.

Therefore, it will be for the sake of transparency and efficiency that we, in the Bloc Quebecois, will support the motion presented by my colleague for Vegreville.

To conclude, I will use the few minutes I have left to comment on Motion No. 5. I must say that I am rather puzzled by the amendment proposed by the member for Mackenzie. Considering that section 33.1 recognizes the principle of distinct wheat classes, the amendment he proposes would only allow the Governor in Council to exclude the province or the area where a given class of wheat is produced.

In Alberta, since farmers can already contribute to a similar program for barley, offered by the Alberta Barley Commission, the proposed amendment would eliminate the monopoly and encourage competition between that organisation and the board.

The argument is justifiable, since the results of the subsidized research funded by the board would also benefit Alberta and also because farmers who support the board might prefer that it manage their deductions.

However, if the Governor in Council no longer has the authority to exclude a province, provincial initiatives will immediately be cast aside.

This is why, as you can imagine, I have a great deal of difficulty supporting motion No. 5. When a province, like Alberta, is ahead of the federal government, it is essential that its initiatives be respected.

This is why members of the Bloc Quebecois cannot support the motion of our colleague from the New Democratic Party, the hon. member for Mackenzie.

[*English*]

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I have a few words on this motion. I will take up where the minister of agriculture left off in his remarks. The minister of agriculture indicated this was not the time to talk about the future of the Canadian Wheat Board. In fact he said, and I think I quote him correctly: "Now is the time to hold my fire".

I could not help but think that on this side when one holds one's fire and when one is fed up, it leads only to indigestion. We do not want this issue to be lapped without the proper debate in this place that it deserves.

• (1715)

I remind the minister of agriculture that members of his party campaigned in my province and others one year ago, some of whom were elected on a campaign of supporting the Canadian Wheat Board and enhancing its powers.

The red book has a commitment toward marketing boards and the support of the Canadian Wheat Board. There were numerous news releases issued a year ago from Liberal candidates and now sitting members indicating support for the Canadian Wheat Board. I do not believe that at this time when the future of the Canadian Wheat Board is under so much pressure that the government, especially members who campaigned the way they did, and particularly the minister can hold their fire on this very important issue.

As it stands, my constituents are firmly behind the Canadian Wheat Board and I will speak for them as often as I can to ensure that the Canadian Wheat Board supports the farmers, the producers of western Canada and all the communities those farmers and producers support throughout my constituency in western Canada.

I want to indicate that on this motion the member for Vegreville has made an interesting intervention and with a couple of clarifications I believe I will now be able to support the amendment he has brought forward and I urge the government to do the same.

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I have a few remarks to address precisely to the subject matter of Motion No. 3.

Once again the member who has just spoken and others have tempted me to broaden the discussion this afternoon. I will not do that. There will be ample opportunities for that. I will

welcome those opportunities and if hon. members want a sneak preview of some of my views and opinions on the subject they seem to be amply reported almost on a continuous basis in the media so they can whet their appetites on those observations and we will get to the main subject matter in due course.

There do seem to be some animal noises coming across the way from the opposition members. Sometimes it is difficult to determine the distinction between their heckling and their speeches. I trust the speeches will have more substance than the animal imitations that seem to be emerging from the opposition members at the present time.

That type of conduct does tend to trivialize the subject matter that is under consideration. I prefer to remain serious about it.

With respect to Motion No. 3 the proposal is essentially for a tabling of the annual report of an arms length, not for profit private organization. That is a rather unusual proposition because the Western Grains Research Foundation is an arms length, not for profit private organization. It represents 12 farm organizations in western Canada. It may represent in due course more organizations than that because as I understand it other organizations are expressing very sincere interest in joining the WGRF because of the good work that it does. It does represent those private sector producer based organizations.

It will operate with producer and not taxpayer funds. That is essentially what the check off procedure is all about.

Bearing in mind that the agency we are talking about in terms of the WGRF is a private, not for profit, arm's length organization. Bearing in mind that organization will operate with producer funds, not taxpayer dollars, it seems to me that a different type of accountability is appropriate.

• (1720)

Accountability obviously is important but it must be of a different kind than one would think of if we were speaking of a purely government institution. The foundation is operated by producers and is accountable to producers. The program that is proposed in Bill C–50, it seems to me, does not require excessive control by the House of Commons or by any government agency. It should have that kind of accountability which the WGRF in the proper exercise of its responsibilities considers to be appropriate.

In these circumstances the avenue that should be pursued is simply this. Every year when the report from the WGRF becomes available there should be a notice published in the Canada *Gazette* indicating that annual report has now been produced and it obviously is available for inspection. That is a more economical and appropriate way to deal with this requirement of accountability in the case of the WGRF.

At the same time I would again point out the nature of the WGRF. It is an organization involving 12 western farm organizations. They have a board of directors and they are accountable to their membership. They have developed this whole program in very close consultation with farmers. There is a very real discipline and a very real form of accountability built right into that structure because it is producer based and producer driven through those farm organizations that make up the WGRF. The board of directors of the WGRF is representative of those farm organizations.

In addition to that kind of accountability which will certainly ensure the publication of the kind of annual report that is appropriate and necessary in the circumstances, I think it would be sufficient for us to simply publish a notice in the Canada *Gazette* every year noting that the annual report is available for inspection if needed. In addition, it would seem to be logical that a summary of that annual report could be provided in the ordinary course through the publication known as "Grain Matters" which is broadly distributed to all Canadian Wheat Board permit book holders across western Canada.

The annual report will include statements concerning revenues and expenses as audited and other statements as may be necessary to provide and to ensure full transparency.

I would also note in conclusion that when Bill C–50 was in committee it was strengthened by allowing for agreements between the minister and the research funding agency. That agreement is now provided for in a prior amendment to Bill C–50, section 33(1)(6). That particular agreement will provide for another form of accountability. All of those factors taken together sufficiently address the point and make the amendment proposed in Motion No. 3 unnecessary.

[*Translation*]

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question!

**The Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 76(1)(8), the recorded division on the motion stands deferred.

• (1725)

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.

[*English*]

*And the bells having rung:*

**The Deputy Speaker:** Pursuant to Standing Order 45(5)(a), I have been requested by the chief government whip to defer the division until a later time.

**The Deputy Speaker:** Pursuant to Standing Order 45(5)(a), the division on the motion before the House is deferred to tomorrow at 10 a.m. at which time the bells will ring for 15 minutes.

**Mr. Boudria:** Mr. Speaker, I think you would probably find unanimous consent to proceed immediately to private member's hour or we could suspend for four minutes. My colleague seems to be ready to proceed now so the House would probably consent to proceed immediately.

**Mr. Taylor:** Mr. Speaker, I rise on a point of order. I think it is important while we are on this subject of deferring the votes until tomorrow morning that the House realize that the minister of agriculture is before the standing committee on agriculture at nine o'clock tomorrow morning. The deferral of the vote until ten o'clock tomorrow morning simply cuts short the amount of time that the minister would have in front of the committee. I wanted to bring that to the attention of the House.

**The Deputy Speaker:** Is there unanimous consent to call it 5.30 p.m.?

**Some hon. members:** Agreed.

**The Deputy Speaker:** It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[*Translation*]

### UNEMPLOYMENT INSURANCE ACT

The House resumed, from September 20, 1994, consideration of the motion that Bill C–218, an act to amend the Unemployment Insurance Act (excepted employment), be read the second time and referred to a committee.

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I rise today on Bill C–218, an Act to amend the Unemployment Insurance Act. I wish to indicate my approval of the bill introduced by the hon. member for Saint–Hubert.

The bill seeks to correct an injustice made against almost a million Canadians and Quebecers, of whom two–thirds are women.

Yes, one million Canadians, most of them women, that the government does not trust and considers as UI abusers because they are not dealing at arm's length with their employer, who is either a brother, a son, a daughter or a spouse. This is unacceptable in a country where citizens are presumed to be honest.

I remind the House that until 1989, any woman employed by her spouse could not draw unemployment insurance benefits. That in itself is shocking and appalling. Indeed, who would accept such a discriminatory clause nowadays? Yet, women had to unite in a long and vigilant fight to bring that discrimination to an end.

After a challenge under the Charter of Rights and Freedoms, the section of the act excluding from entitlement to benefits any woman working for her spouse was ruled invalid and discriminatory by the Supreme Court of Canada in March 1989. This ruling finally gave fair treatment to these women who work in family businesses and granted them the well–deserved right to unemployment insurance benefits.

However, this victory was short–lived. In October 1990, the then government found a way to get around the 1989 ruling, by including, in the definition of excepted employment, employment where the employer and employee are not dealing with each other at arm's length. By excluding from benefits not only women, but everyone not dealing at arm's length with their employer, legally, the law no longer seemed discriminatory.

It is possible that some employees working for their spouses defraud unemployment insurance just as it is possible for an employer and an employee who are perfect strangers to cheat the system. The penalties in the law are explicit and severe enough to cover all fraudulent claims.

Losing a job is in itself a stressful event that can weaken one's self–esteem. We, on this side of the House, do not think that most people choose unemployment as a way of life. Nor do we believe that the unemployed in Canada are lazy people drinking beer in front of the television, as the prime minister unfortunately said. But that such a suspicion be covered in the act is unacceptable to the 1 million Canadians who are unemployed, including 650,000 women.

What is shocking here, and that I want to denounce, is the burden of proof which lies with the unemployed individuals from the very first stage of their benefits claim. These individuals must prove to Revenue Canada, Taxation that their work contract was meeting all the requirements of a position that anyone else could have held. No other category of claimants is required to produce such proof.

But what is more shocking and adds to my determination to support the deletion of section 3(2)(c) is the fact that the amendment adopted October 22, 1990, only slightly softened the blatant discrimination present in the former Unemployment Insurance Act. The existing legislation is targeting an easily identifiable group and results mainly in the systematic exclusion of women employed by their spouse.

Are these women entitled to UI? Yes, said the Tax Court of Canada in 1989. Since then, these women have been contributing to the system. But by a clever trick, the 1990 UI reform managed to include anyone not at arm's length with the employer.

When these women lose their job, it is often because their spouse's business is going down the drain. It is then that these women need UI benefits. Instead they have to prove to officials of Revenue Canada, Taxation that their job is justified, therefore insurable.

Then begins a long inquiry process that can last several months, even a year, during which the slightest doubt leads to an exclusion because the process does not tend to confirm eligibility but rather to prove abuse.

Once more, the Canadian government shows that it does not focus on the real problems and that the services most needed by people are still subject to a cumbersome bureaucracy.

I believe it would be improper to assume that a woman taking an active part in the operations of her husband's business would try to abuse the unemployment insurance system. Yet, if she worked for a competitor, she would not be subject to such misconceptions. Bill C–218 precisely aims to put an end to such an unfair situation.

This discriminatory clause of the act is detrimental to all women from a human and social point of view because it denies them the right to their fair share and a fair treatment.

Therefore I ask the government to repeal paragraph 3(2)(c) of the Unemployment Insurance Act. I urge the government to get rid of the vicious and discriminatory measure by which the previous government deprived one million Canadians and Quebecers, mostly women, of their right to unemployment insurance at a time when they need it most.

[*English*]

**Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.):** Mr. Speaker, I am pleased to have this opportunity to address the concerns expressed in Bill C–218 by the hon. member for Saint–Hubert.

The hon. member's bill purports to correct an injustice she perceives in section 3(2)(c) of the Unemployment Insurance Act. I know the hon. member has brought this matter forward with the very best of intentions.

• (1735)

The government appreciates the hon. member's concern. After all, we are striving to make sure its rules and regulations are fair and equitable for everyone. It pleases me to say that this particular provision is an example of the equality we are trying to achieve.

The section of the act that the hon. member is concerned about addresses the situation whereby relatives work for one another. Some hon. members have argued that this section of the act discriminates against relatives of employers. This is simply not so. The provisions simply act to make sure that those individuals who work for a spouse or for a mom or dad have the same access to this important government program as any other worker. Perhaps I can alleviate the hon. member's concern by pointing out the intent of this arm's length employer–employee relationship.

The government recognizes that more so today than ever before individuals are starting their own businesses working out of their homes and providing services that may involve family members. What we can call non–standard employment is on the increase. Last year more than 60 per cent of all new jobs were part time. Therefore I think the hon. member will agree with the necessity of having UI regulations that allow a relative or common law spouse to be an employee.

This section of the act entitles these individuals to pay premiums and collect benefits if their contracts are similar to those of workers not related to their employer. As well the employee of a corporation in which he or she has shares may also be eligible to pay UI premiums and collect benefits.

All the unemployment insurance program is asking in this regard is that relatives employed by relatives ensure that this is a legitimate employer–employee relationship. This is not discriminatory because all employees related or not must also do the required paperwork to satisfy the commission that they are legitimate employees. I say to the hon. member for Saint–Hubert that the only real distinction is a few additional forms to fill out. This is but a minor inconvenience. It is a reasonable measure because it protects the integrity of the UI program for everyone.

The hon. member has quite rightly pointed out that the majority of individuals affected by this section of the act are women but that is why the section was amended in the first place. It used to be that spouses, the great majority of whom are women, were not eligible for UI benefits. This is no longer the case. Women are not discriminated against in this regard. They

are however required as any other employee to show there is a legal employer–employee relationship if they wish to pay UI premiums and to be eligible to collect benefits.

In a related matter this government recognized that many women are entering the workforce. We know that many women are the main providers for their families. To address this evolving situation, the government introduced the dependency benefit rate of 60 per cent. This rate is for claimants with low incomes supporting a dependant or who have a spouse supporting a dependant. Without this, people in this situation would receive a 55 per cent benefit rate.

I believe that if the hon. member for Saint–Hubert considers the matter, she will see that this government is totally committed to fairness and compassion in applying its programs.

The thinking behind any adjustment to unemployment insurance is to guarantee that all potential UI recipients are treated fairly. That is one of the reasons we are looking at UI as part of the social security reform. Our surveys have shown that the great majority of Canadians support the concept of unemployment insurance, but the key word is insurance.

Canadians want this program to be used for the purpose for which it was originally intended, the purpose being temporary financial support between jobs and not as a supplement to a regular income. People understand that UI is a major component of social security and they want to see that it works fairly and equitably.

During previous debate on this bill one hon. member referred to the government's initiative to use UI development funds for training and upgrading skills. He suggested that by supporting the hon. member's bill we will enable workers employed by relatives to take advantage of training programs.

Individuals who qualify under this section of the act are as eligible for training programs as any other recipient. They are not being denied training because they have to fulfil an obligation, an obligation that guarantees that the business arrangement with their spouse is a true employer–employee relationship.

• (1740)

I say to all hon. members that a review of our social security system will give them ample opportunity to present their ideas on reforming our unemployment insurance program. The government's proposals are detailed in the discussion paper and we more than welcome constructive input. Social security reform is a partnership. It is a partnership that needs helpful suggestions if we are to develop new social security programs that will be fair and beneficial to all Canadians.

In summing up I thank the hon. member for Saint–Hubert for raising concerns over what she perceives to be discrimination. The government appreciates her attention in this regard. However in studying the matter I see no grounds to assume there is discrimination under this section of the UI Act. Therefore, regretfully I cannot support the hon. member's bill.

**Mr. Dale Johnston (Wetaskiwin, Ref.):** Mr. Speaker, I am pleased to have this opportunity today to speak on Bill C–218 which seeks to amend the Unemployment Insurance Act. The member for Saint–Hubert proposes to eliminate the exemption that prevents family members from collecting UI if they work in the family business.

I suppose the intent of unemployment insurance at the time it became law in 1940 was to provide financial assistance to industrial and commercial workers during periods of unemployment. Since that time the program has expanded to encompass everything from grants to organizations under section 25 to maternity leave and sickness benefits. Today 97 per cent of paid workers are covered by the unemployment insurance program. The originators of the program would not recognize it in its present form today.

For some time now Canadians have been expressing concern over the abuse of the unemployment insurance program. Even the Minister of Human Resources Development realizes there is a need to tighten up the system and close the loopholes.

When the hon. member for Saint–Hubert outlined her reasons for introducing this bill, she said that the primary effect of section 3(2)(c) is the systematic exclusion of women who work for their spouse. She finds it objectionable that such employees must prove to Revenue Canada adjudicators that the labour contract has all the features of a job that the employer would have given to someone else who was completely unrelated to him or her.

We believe that if a wife works for a husband or vice versa, they should be prepared to prove that a bona fide employer–employee relationship exists. At this point many people on farms would qualify under those regulations.

It should be incumbent upon them to show they are not taking advantage of the system and trying to add to the family income. I do not believe this is an unreasonable safeguard in a system that is all too often abused. Members from the official opposition often talk about abuse in the system.

Revenue Canada adjudicators would adjudicate arm's length relationships. Statistics show that each year some 3,750 UI claimants are denied benefits because they do not work in true employer–employee relationships. This actually amounts to one–quarter of the claims that are reviewed each year. This means there are some 11,000 arm's length relationship claimants who do receive UI benefits. If this amendment were passed those 3,750 claims that are rejected each year possibly would be approved. Taking the average benefit from 1992 which is

$6,600, the minimum annual increase in UI payments would be $25 million.

I am sure my colleague for Saint–Hubert believes that her amendment would be a great benefit to women and to the small business community. The truth is that she is ultimately bringing more harm to those people she is trying to protect.

• (1745)

The changes and add ons brought in since the inception of the program have been costly to the workers and their employers. Together the contributions by employees and their employers average 7.3 per cent of contributors' income.

As it stands now the UI program will take $19.8 billion from the people who are trying to keep their businesses solvent and from workers who are trying to make ends meet and pay their taxes. That $19.8 billion amounts to approximately $1,500 from every Canadian worker covered by the unemployment insurance program. It is the second highest source of revenue for the federal government, second only to personal income tax.

If the hon. member really wanted to help women and small businesses she would support the proposal of the Reform Party for a private insurance plan, one which is operated on basic, actuarially sound insurance principles. She would be proposing an amendment to make UI contributions voluntary so that those who are not eligible to collect benefits would not have to contribute to the plan. She would be calling on the government to lower the tax rate so that money could be left in the hands of the entrepreneur, the farmer, the small business person who relies on family members to help out on the farm or in the store.

We feel most Canadians would agree with our party's belief that a dollar left in the hands of an entrepreneur, a small business person is far more likely to stimulate economic growth than a dollar left in the hands of mother government or bureaucrats.

Reform Party members oppose this bill for many reasons. It opens up the Unemployment Insurance Act to yet another avenue of abuse and waste of taxpayers' dollars at a time when we should be tightening the loopholes and saving employer and employee UI premiums to cover UI claims by workers and their families hardest hit by today's high unemployment. This bill would increase payouts of the UI benefits by millions of dollars per year. It directly contravenes Reform Party principles which support elimination of fraud and abuse and returning UI to true insurance principles.

Most important, spouses employed by their partners already have an advantage over other Canadians because they can split their income and reduce their taxation in that way. While Reformers support income splitting for married couples, we would like all Canadians to have equal opportunity to do so.

[*Translation*]

**Mrs. Pauline Picard (Drummond, BQ):** As you know, Mr. Speaker, the purpose of this bill is to repeal section 3(2)(*c*) of the Unemployment Insurance Act, which stipulates that employment where the employer and employee are not dealing with each other at arm's length is not insurable. The law is clear: Where the employer is related to the employee, he or she must prove that the job would have been given to an unrelated person in similar circumstances.

The vast majority of workers affected by this section of the Unemployment Insurance Act are women who work in a family business. For these women, the law is also unequivocal. Women who work for their spouses must pay unemployment insurance premiums. This is also true for employees who are not dealing at arm's length with their employer and who hold 40 per cent or less of the family business shares.

Since the act was brought into force in October 1990, the Department of Human Resources Development, which is responsible for the administration and the application of the Unemployment Insurance Act, increasingly refuses to pay unemployment insurance benefits to these people.

The Bloc Quebecois denounces such an attitude stemming from the retrograde section 3(2)(*c*) of the Unemployment Insurance Act. Yes, Mr. Speaker, this section is retrograde and even discriminatory, since its main effect is to systematically exclude from the unemployment insurance program women who work for their spouses.

• (1750)

The argument most often put forward to prove that the employment is not insurable in the case of women working for their spouses is this: The employer and employee are not dealing with each other at arm's length, hence there is no employer–employee relation. When examining the claims of these women, Revenue Canada may carry out all inquiries it deems appropriate at the workplace, including financial statements audit, analysis of bank statements, and study of the work organization in the plant or the office.

In fact, the department is not seeking to establish eligibility but to prove fraud. I support Bill C–218 put forward by my colleague from Saint–Hubert to repeal this antiquated provision of the Unemployment Insurance Act that is so unfair to a certain category of women. There are 650,000 women in this situation. If they lost their job, these employees who work in a business controlled by their spouse, these workers described as wife associates, would not be eligible for unemployment insurance benefits because of their status.

Again, wife associates represent the vast majority of exclusions under section 3(2)(*c*) of the existing legislation, which deprives women of their right to equality in matters related to unemployment insurance. In general, these women perform administrative duties in a family business, whether it is a farm or any other type of small business.

They perform duties such as billing and accounting and respond to requests from suppliers and clients. A family business, like any other type of business, can experience serious financial difficulties. The wife associate can be laid off and stop receiving a salary. We think that, since she contributed to the unemployment insurance program, it would be quite normal that she be eligible for benefits.

This injustice toward women is particularly obvious in agriculture. In 1988, 6,066 Quebec women had titles of ownership in a farming enterprise. In 1993 their number had almost doubled. For their work on the farm, 43 per cent of respondents to a survey say that they are paid, either through a salary or through profit sharing or through investments made in their name.

The survey also shows that 33 per cent of those women earn off–farm revenues. Obviously, women with such earnings make a large contribution to the operation of the family farm. What, then is the difference between women who earn their living in the family business and those who do so elsewhere?

Both groups of women are equally dependent on the farm and pay UI premiums, but their status is different when they become unemployed. Again, that is blatantly unfair to a group of working women.

It is not a matter of whether a wife is dependent on her husband. In any normal couple, the wife is no more dependent on her husband than he is on her. It is a matter of being fair to a group of working women. That is why we support Bill C–218, which proposes that section 3(2)(c) of the Unemployment Insurance Act be repealed. The Bloc Quebecois refuses to wait, as was suggested at first reading, for the Liberal comprehensive reform of social programs, a reform that will never achieve national consensus in any case. I urge all the women in the House, including those in the Liberal government, to support this bill.

[*English*]

**Mr. Ian Murray (Lanark—Carleton, Lib.):** Mr. Speaker, the hon. member for Saint–Hubert has presented the House with a matter which I am sure concerns us all and that is the fairness of our rules and regulations. This government most certainly does not wish to discriminate against anyone.

The question in the circumstances raised by the hon. member is whether or not discrimination is occurring. Her bill argues that because the majority of people affected by section 3(2)(c) of the Unemployment Insurance Act are women the section discriminates against women.

• (1755)

I admire the hon. member's concern but this section does not discriminate against women nor does it discriminate against any relative involved in an employer–employee relationship. The intent of the section is to ensure that genuine legal employer–employee relationships exist in businesses that involve relatives. That is hardly an unreasonable requirement.

The House has heard some interesting arguments on this matter but if my hon. colleagues consider what could happen if the act did not have safeguards I think they would agree we would be in a real quandary.

Section 3(2)(c) of the act requires only that those affected by it satisfy the Unemployment Insurance Commission that they qualify for UI coverage just as any other employee. It is merely one of the regulations set out to protect the program's integrity. I do not hear hon. members arguing that employees not related to their boss should be exempt from proving a legal employer–employee relationship, so why should employees who are related be exempt? That would be the effect of passing Bill C–218.

Family employees should certainly have the same rights as any other employee. However I trust the hon. member will agree that family employees should also have to meet the same requirements to be eligible for UI benefits. That is all section 3(2)(c) requires. To have it otherwise would then discriminate against employees not related to their employer. The regulation treats everyone in the same manner, which is the way it should be.

One word we have heard frequently in the remarks of my colleagues is fairness. I would like to expound briefly on how the government has used fairness, not as a political slogan but as a philosophy. Fairness or equality or whatever synonym you wish to use is a cornerstone on which this country's social security system was built. Indeed it may be argued that it is the cornerstone on which the entire country was founded.

I do not for a moment claim that every program is perfect or that these programs do not have loopholes that unjustly deny people their due. I will state however that fairness has been and will continue to be the watchword for this government. We will strive to close loopholes wherever and whenever we find them.

A case in point is a recent series of changes to the UI program which took effect in July. We realize that reducing the benefit rate to 55 per cent would represent an undue hardship to people with lower incomes who have dependants. That is why we

introduced the dependency benefit rate which gives a 60 per cent benefit rate to people in these circumstances.

A decision to reduce the benefit rate was indeed a tough one. However we tried to be as fair as we could by minimizing the impact of this change on those who could least afford it. It is this spirit of fairness that embodies the provision which so concerns the hon. member.

As my colleague has pointed out this provision allows family members to collect UI. In the past they simply were not eligible. Yes it is true there is a little bit more paperwork involved in these cases. I hasten to point out that among the tens of thousands of UI claims filed by family businesses in the 1992–93 fiscal year only 15,000 were reviewed by Revenue Canada. The great majority of individuals employed by a relative simply filled out the forms necessary to qualify for UI and they received their benefits.

Therefore I can say with great sincerity and with all due respect to the hon. member that her concerns are exaggerated. No one is questioning the intentions of the hon. member for Saint–Hubert regarding this matter. She is undoubtedly addressing what she perceives to be an injustice but I would say to her and to all hon. members that during the review of our social security system there will be plenty of opportunity to present constructive recommendations for reform of the UI program.

In our discussion paper the government has proposed a number of possible approaches to adjust and strengthen unemployment insurance so that it serves all Canadians. That is the context in which we should be looking at the UI Act. Everyone most certainly recognizes that UI is very much a key element of social security.

I am sure that when hon. members hear from their constituents they are finding more and more people are working in what we refer to as non–standard employment. There is a considerable increase in the number of part time, self–employed and multiple job holders. And yes, there is also a significant increase in family run businesses.

We need to look at the whole picture. We need to consider whether we should develop an entirely new unemployment insurance program that will address the needs of workers in the changing economic structure, or whether we can adequately adjust our present UI program to serve the needs of a rapidly diversifying workforce. Whichever approach, the government has stressed that social security reform is a partnership. We want input from anyone who has constructive ideas.

• (1800)

The hon. member for Saint–Hubert will have an opportunity to present her ideas and the government will be pleased to give her submissions every consideration.

At this time, while I appreciate the intent of her bill, I regret that I cannot support it.

**Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.):** Mr. Speaker, I am very pleased to debate the bill presented by the hon. member for Saint–Hubert.

Like my colleagues, I recognize the hon. member's intent in presenting this bill which is to correct a perceived injustice. I would ask her and all hon. colleagues to remember that the bill received first reading prior to the government's discussion paper on social security reform. Perhaps if the hon. member had known the extent of the proposed revisions to the unemployment insurance program she would have seen fit to wait and put forward her ideas in that context.

As the old saying goes, I do not want to keep flogging a dead horse, but I honestly believe that Canadians want their elected representatives to consider revisions to the UI program in the context of social security reform. I am sure the hon. member sees the logic of evaluating her suggestion in that context.

The hon. member for Saint–Hubert talks about injustice but there is no injustice in doing everything possible to maintain the integrity of our unemployment insurance program. I can state unequivocally that the majority of UI claimants are honest, law–abiding citizens and we need not fear that they will try to take advantage of the unemployment insurance system.

However that does not preclude us from being diligent in ensuring that UI benefits go only to those who meet the necessary conditions. We must be accountable. Canadians expect their elected representatives to do everything in their power to ensure the viability of our social security system.

I would ask the hon. member to look at it another way for a moment. Just last week the Minister of Finance made it abundantly clear that the government will fulfil its commitment and meet its deficit reduction target, that is 3 per cent of the gross domestic product at the end of the third term in office. It has been made very clear that this goal will be met. There is no doubt about that. We can help by keeping costs as low as possible in our social security programs.

We have already tried to do what we can to save UI funds through other measures. I am thinking of such things as lowering the premium rate which we estimate will create or preserve about 40,000 additional jobs. These jobs mean that people will pay into the fund rather than take money out of it. Besides that, we have to do everything possible to ensure that the system is used for the purpose for which it was intended.

Now that we have heard hon. members argue that arm's length provisions discriminate against women since they are often the ones employed by their husbands in a family business, as the kids say today: "Let's get real". When it comes to making

revisions to UI, we have been mindful of the particular needs of Canadian working women.

One measure we have taken, as hon. members have mentioned, is to bring the dependency benefit rate of 60 per cent for low income earners who are supporting a dependant or whose spouse is supporting a dependant. We estimate that approximately 240,000 claimants are helped by the dependency benefit rate. I can assure my hon. colleague that the majority are working women. If hon. members want to do more for women then I encourage them to study the proposals for social security reform and to come up with positive, constructive ideas on how we an make improvements.

• (1805)

It is easy to criticize but it gets us nowhere. It is just the easy thing to do. The hon. member whose bill we are debating today is down on the government because the government is being responsible and protecting the integrity of the unemployment insurance system, a system that has served Canadians well for more than half a century.

Just what are we asking under this provision of the Unemployment Insurance Act? Are we asking workers to do anything more than ensure the UI branch that they are genuinely in an employer–employee relationship? No, we are not. We are simply requesting that workers fill out the required forms and let us know the precise nature of their working relationship with a family member. This is not too much to ask if it helps reduce the UI deficit and maintain the fund's integrity.

It would not surprise me at all if the majority of individuals in this situation would support this requirement because it will guarantee that working for their relative fulfils their obligations under the act of employer–employee relationship.

I implore the hon. member not to use the scattered shotgun approach to fixing problems to UI and other social problems. Let us look carefully at the whole package, as we are presently doing. During our review of the system the hon. member for Saint–Hubert and all hon. colleagues will have every opportunity to present constructive ideas on changes to UI. I encourage them to do so in that context.

[*Translation*]

**The Deputy Speaker:** Standing Order 44(2) in part states:

(2)a reply shall be allowed to a member who has moved a substantive motion—

(3)In all cases the Speaker shall inform the House that the reply of the mover of the original motion closes the debate.

Since no other members are rising, I will recognize the hon. member for Saint–Hubert, who will close the debate.

**Mrs. Pierrette Venne (Saint–Hubert, BQ):** Mr. Speaker, I would like to start by thanking hon. members for their interest throughout this debate on Bill C–218. I particularly want to express my thanks to members who have solidly supported a cause that is just and democratic, a cause that is reflected in Bill C–218.

However, we cannot close this debate without responding to certain claims that repealing paragraph 3(2)*(c)* of the Unemployment Insurance Act would inevitably increase the likelihood of abuse and fraud and lead to a sharp increase in UI claims.

I refer more specifically to what was said by the hon. member for Yorkton—Melville who, on April 21, expressed his apprehensions about Bill C–218. The hon. member's fears are clearly ill–founded. The hon. member seems to think that paragraph 3(2)*(c)* of the Unemployment Insurance Act is a punitive provision. The sole purpose of this section is to discriminate against a substantial part of the population that contributes to the fund and pays premiums but is treated unfairly and inequitably when the time comes to claim benefits. These individuals, who may have paid unemployment insurance premiums throughout their working lives, are denied the benefits to which they are entitled because a public servant at the Department of National Revenue has decided that their employment is not insurable and that as a result, they cannot receive these benefits.

I referred earlier to concerns that were expressed by the hon. member for Yorkton—Melville. I think he can take some comfort from sections 73 and 74 of the act and from the powers of investigation conferred under sections 92 to 106 of the same act. The purpose of such provisions is to deter potential offenders. The Unemployment Insurance Act already incorporates procedures to curb abuse and prevent fraud. Stiff penalties are already provided for with respect to anyone who would dare to contravene the act. This means that, as it stands and regardless of paragraph 3(2)(*c*), the act already has teeth and can bite.

Opponents of this bill also quoted some interesting statistics, showing that, on average, 85 per cent of benefit claims are found to be admissible after review. Opponents of Bill C–218, and the Minister of Human Resources Development in particular, maintain these are very satisfactory results. The parliamentary secretary is glad that the vast majority of benefit claims are not fraudulent.

• (1810)

How can he allege that the very existence of paragraph 3(2)(*c*) is justified? How can we claim that the act as it now stands is fair and equitable to 85 per cent of those who must wait months and even years before a decision is made as to whether or not their jobs are covered by UI?

These people, the majority of which are women who help run the family business, are honest people with no intention of committing fraud. Yet, they are treated like cheats until they can prove otherwise.

The member for Calgary North added insult to injury when she said in the House on September 20:

> If a woman works for her husband in a small business, then she must be prepared to convince Revenue Canada that she is in fact in a true employee–employer relationship [—]

It is very wrong that in 1994 women in family businesses must still have to prove that they are really working, as though their work were not real and these women were only foils for their husbands. It is this kind of archaic thinking that underlies the philosophy of the present law and denies working wives and dependants the same protection and benefits as the rest of the population.

This is an opportunity to say loudly and clearly in this House that we cannot close our eyes and give our tacit consent to such an unfair and unjust law. I therefore ask hon. members to vote for Bill C–218 and above all to think of all those who are still waiting for a decision from a revenue department official.

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question!

**The Deputy Speaker:** Is it the pleasure of the House to adopt the said motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

• (1830)

[*English*]

*And the division bells having rung:*

**The Deputy Speaker:** The division will be taken row by row starting with the mover and then proceeding with those in favour of the motion seated on the same side as the mover. The votes of those who are in favour of the motion on the other side of the House will be recorded.

• (1835 )

Those opposed to the motion will be called in the same order.

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

*(Division No. 99)*

## YEAS

Members

| | |
|---|---|
| Althouse | Assad |
| Axworthy (Saskatoon—Clark's Crossing | Bachand |
| Bakopanos | Barnes |
| Bellehumeur | Bergeron |
| Bernier (Mégantic—Compton—Stanstead) | Blaikie |
| Bouchard | Bélair |
| Bélisle | Caccia |
| Canuel | Caron |
| Chrétien (Frontenac) | Dalphond-Guiral |
| Daviault | Debien |
| Duceppe | Dumas |
| Fillion | Fry |
| Gagnon (Québec) | Gauthier (Roberval) |
| Godin | Guay |
| Ianno | Jacob |
| Laurin | Lavigne (Beauharnois—Salaberry) |
| Lebel | LeBlanc (Cape/Cap Breton Highlands—Canso) |
| Leblanc (Longueuil) | Leroux (Shefford) |
| MacLellan (Cape/Cap Breton—The Sydneys) | Marchand |
| Mercier | Minna |
| Ménard | Nunez |
| Paré | Picard (Drummond) |
| Plamondon | Pomerleau |
| Proud | Rocheleau |
| Sauvageau | Solomon |
| St-Laurent | Tremblay (Rimouski—Témiscouata) |
| Venne—53 | |

## NAYS

Members

| | |
|---|---|
| Ablonczy | Adams |
| Alcock | Anderson |
| Assadourian | Augustine |
| Benoit | Bernier (Beauce) |
| Bertrand | Bethel |
| Blondin-Andrew | Bodnar |
| Bonin | Boudria |
| Bridgman | Brown (Oakville—Milton) |
| Brushett | Bryden |
| Calder | Catterall |
| Chan | Chatters |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |
| Culbert | Cummins |
| DeVillers | Duhamel |
| Duncan | Dupuy |
| English | Epp |
| Finlay | Fontana |
| Forseth | Frazer |
| Gaffney | Gagliano |
| Gallaway | Gauthier (Ottawa—Vanier) |
| Gerrard | Gilmour |
| Godfrey | Goodale |
| Graham | Grey (Beaver River) |
| Grose | Guarnieri |
| Hanrahan | Harb |
| Harper (Calgary West) | Harper (Simcoe Centre) |
| Hart | Harvard |
| Hayes | Hill (Macleod) |
| Hopkins | Iftody |
| Irwin | Jackson |
| Jennings | Johnston |
| Jordan | Keyes |
| Kirkby | Knutson |
| Kraft Sloan | Lastewka |
| Lincoln | Loney |
| MacLaren (Etobicoke North) | Malhi |
| Maloney | Marleau |
| Massé | Mayfield |
| McClelland (Edmonton Southwest) | McCormick |

| | |
|---|---|
| McKinnon | McLellan (Edmonton Northwest) |
| McTeague | Milliken |
| Morrison | Murphy |
| Murray | O'Brien |
| O'Reilly | Pagtakhan |
| Parrish | Peters |
| Phinney | Ramsay |
| Reed | Regan |
| Richardson | Ringma |
| Ringuette-Maltais | Robichaud |
| Schmidt | Scott (Fredericton—York—Sunbury) |
| Shepherd | Sheridan |
| Silye | Solberg |
| Speller | Steckle |
| Stewart (Brant) | Strahl |
| Szabo | Telegdi |
| Terrana | Thalheimer |
| Thompson | Ur |
| Valeri | Vanclief |
| Volpe | Wappel |
| Williams | Wood |
| Young | Zed—126 |

PAIRED MEMBERS

Members

| | |
|---|---|
| Anawak | Asselin |
| Bernier (Gaspé) | Brien |
| Crête | Deshaies |
| Discepola | Fewchuk |
| Flis | Guimond |
| Hubbard | Lalonde |
| Landry | Langlois |
| Lefebvre | Loubier |
| MacAulay | Manley |
| Patry | Peterson |
| Pillitteri | St. Denis |
| Whelan | de Savoye |

• (1840)

[*Translation*]

**The Deputy Speaker:** I declare the motion lost.

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# PROCEEDINGS ON ADJOURNMENT MOTION

• (1845)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

SOCIAL PROGRAM REFORM

**Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP):** Mr. Speaker, the week before last I raised a question in the House with the Deputy Prime Minister about the proposals in the green paper for post-secondary education funding.

We all know that there is much in the green paper which talks about the importance of education, skills upgrading and training to Canadians and to Canada in terms of our ability to compete in the new world economy.

I am glad to see those comments in the green paper but the proposals which the Minister of Human Resources Development goes on to suggest for post-secondary education belie this rhetoric.

The minister is proposing that the $2.6 billion which each year goes to the provinces for post-secondary education instead go to students in the form of loans. We remember that federal government transfers to the provinces were first cut by the Liberal government prior to 1984. Those cuts were continued by the Mulroney government through the 1980s and into the 1990s and of course, as we all remember, were vigorously criticized by the Liberal Party while in opposition. Now the Liberals are back in government and those cuts continue.

The government rationale here appears to be that the cash portion of post-secondary education funding coming from the federal government to the provinces is going to disappear anyway because of this trend begun first by the Liberals and continued by the Conservatives. As it is going to disappear why worry about tuition fees going up, they are going up already. Let us just let them go up even further.

What the government is planning to do in spite of arguing, quite rightly, for the importance of post-secondary education, is planning to slash $2.6 billion from post-secondary education and make that available as loans to students and have an income contingency loan repayment system.

The contradiction is quite clear. It is time the government recognized that it cannot say good things about post-secondary education and then cut funding to post-secondary education and expect Canada to compete in the world economy.

The imposing of a heavy burden of loans on students will of course lead to less accessibility of education as more and more potential students decide that they simply cannot afford to incur such heavy loans.

A study in Australia which has a similar program to that being proposed by the government has found that the average man repays 50 per cent of his loan by the age of 28 years but it takes an average woman until she is 38 years old in order to pay 50 per cent of that loan because of the difference in earning capacity for women. We know that Canadian women earn significantly less than Canadian men and thus they will be the most heavily burdened by this process.

Perhaps the most cynical and disturbing part of this proposal is what this government is doing is saying to Canadians and to Canada that the agreement that we have always regarded as important, that post-secondary education is an important contribution both to the student and to Canada as a society, is no longer the case.

What this government is saying is that the burden of paying for post-secondary education and thereby the benefits will all fall to the student and Canada will not benefit in the slightest.

This completely contradicts every study done in Canada since the Massey commission in 1951. It is stupid and the government should change its strategy and position on this.

It has done a good job of politicizing students in 1994. I am glad to see the students have seen through this government's action on this. I urge the government to change its policy and make post–secondary education an investment in Canada and Canadians and stop imposing the burden on Canadian students.

• (1850)

**Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, I am pleased to respond.

Under the present system Canada spends a lot, about $16 billion, on post–secondary education. The federal government alone spends $8 billion annually. The cash portion of the EPF transfers to the provinces is slowly ratcheting down. As the cash portion decreases the invisible portion which is given to the provinces through tax points is increasing. This is an invisible endowment to the provinces which will grow from about $4 billion in 1996–97 to $6 billion within 10 years.

The provinces will make the decision whether or not to pass on some or all of this cash reduction to students. Nobody yet knows how much will actually be passed on. That remains to be seen. Many factors will influence their decisions.

At the same time we face different pressing realities. Government resources are shrinking but more people need more education to get and to keep a job. Full time college and university enrolments are up 36 per cent since 1981 and 3 million workers, 25 per cent of the workforce, want to upgrade their skills and cannot afford it.

The discussion paper asks whether the federal government's role should remain as is or whether we should develop a more strategic approach. One option proposed in the green paper is to use the cash to invest in a new permanent program to provide more loans and grants to individual students.

Each $1 we spend could mean $4 in loans, $500 million could mean $2 billion in loans. Instead of declining cash loans would remain constant. Along with tax transfers this would mean the total resources available to the post–secondary education system would continue to grow in order to meet increasing demands for more learning opportunities for more Canadians.

## ETHICS

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, I rise in this adjournment debate to ask more questions and try to get some clarification about this ongoing saga that has continued in the front benches.

I would like to make the Chair aware again of the remarks I made on Friday where I asked the Prime Minister about his particular quote in which he said and I quote from *Hansard*:

> I consulted the government's ethics counsellor and the one I appointed for myself—

We asked questions about that and did not seem to get wonderful answers. The Prime Minister replied to me on Friday morning, October 28 and I quote from *Hansard* at page 7367:

> The ethics counsellor was consulted yesterday and gave his advice. The advice he gave was given to me and it did not force me to change my mind about the decision I took a few days ago.

It is pretty straightforward. It would seem to me that would make perfect sense if we took the Prime Minister at his word.

However this morning the ethics counsellor appeared on national television, CBC Newsworld. I quote from the transcript that we were provided where the interviewer said: "You're saying then that the Prime Minister at no point asked you to rule on the ethics of this letter". Mr. Howard Wilson replied: "No. That is quite clear. The Prime Minister indicated that he had handled it and came to the conclusion and he stated it".

This seems perfectly clear to me that the ethics counsellor in fact was not consulted, was not asked for his advice. There is a huge discrepancy here and we want to get to the bottom of it.

There are any number of guidelines for cabinet ministers, the most recent of which I quote from, when we look at quasi–judicial bodies versus the judiciary. It would seem to me pretty straightforward again where these guidelines from the Privy Council Office in a confidential document say to ministers: "You are advised to take very special care to avoid intervening, or appearing to intervene in cases under consideration by quasi–judicial bodies". It is again fairly straightforward to me. It would seem like the minister certainly knew what his bounds were and he stepped outside of them.

I would just like to finish before asking the parliamentary secretary to respond to this by pointing out that the Prime Minister has made it clear over and over again that you should not phone a judge no matter what. I refer to a situation that went on in the House yesterday and of course in the newspapers recently where the Prime Minister said that I was being dreadful for bringing up an incident in which he phoned a judge in 1971. Of course he said that he was just asking when the particular court case on this bankruptcy would be. That is fine. The *Globe and Mail* accused him further of saying that he had tried to intervene in that case.

• (1855)

Regardless the instance, regardless the circumstance, this Prime Minister stood in his place a number of times in the last week and said that no cabinet minister should phone a judge ever, for any reason, period. That seems fairly straightforward to me.

We are trying to get to the bottom of this. I hope that we get further answers and further clarification from the parliamentary secretary right now.

**Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, I am pleased to respond to the question of October 28.

In our parliamentary system it is the Prime Minister who is ultimately accountable for the actions of his government and who must answer to Parliament and to the public. There can be no substitute for responsibility at the top. It is the Prime Minister who sets the moral tone for the government and who makes the ultimate decisions when issues of trust and integrity are raised. That is what leadership is all about. As the Prime Minister said yesterday during question period, the buck stops here.

The ethics counsellor plays a very important role in advising the Prime Minister in conflict of interest issues, but at the end of the day it is the Prime Minister who must make the decisions. He must make the decision about membership in the cabinet. Creating an ethics counsellor with a reporting relationship to Parliament will not change this fact.

The ethics counsellor envisioned in the red book had a focus on lobbying. This government extended that to a much broader range of ethical issues, including administering and enforcing the revised conflict of interest code which replaced the old conflict of interest guidelines.

The ethics counsellor's responsibilities in the two domains of conflict of interest and lobbying put him in a unique position to make a significant contribution to restoring public confidence in government.

The ethics counsellor is available to the Prime Minister to investigate allegations of impropriety by public officeholders and to advise the Prime Minister accordingly, but he is only an adviser. At the end of the day the Prime Minister is ultimately responsible for ministers and senior officials.

Under Bill C–43, the lobbyists registration bill, the ethics counsellor has independent powers with respect to the lobbying industry. If there are grounds to believe there has been a breach—

**The Deputy Speaker:** Order, please. The hon. member for Mackenzie.

## CHILD CARE

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, on Friday I raised a question with the Minister of Human Resources Development to whom I had given notice. Eleven ministers of agriculture for Canada had agreed to an initiative to help with community development, particularly concerning child care. The Department of Human Resources Development had allocated some $720 million for 150,000 child care spaces in this budget year. I was asking how much of that would be dedicated to rural child care.

I raised this question because we have just come through a harvest season which is a very busy time on farms. As always there have been reports of some injuries to children because of the exigencies of harvest.

The modern farm is not the idyllic place that we read or think of in mythology. There are huge machines around. There is noise. There are chemicals. There are factory type buildings. There are sinkholes that children can get caught in. There are grain augers. There are all sorts of hazards for children. It is not a place particularly for very small children to be involved. However, both parents of necessity are required to contribute to the work, especially in busy times and it is unsafe and quite impractical for those children to be among the machinery and animals on the farms.

There has always been difficulty in setting up child care facilities for rural areas because of the low population and great distances and the need for very flexible hours. Families will sometimes need child care for short periods of time during harvest and seeding that would run from eight o'clock in the morning until 10 or 11 at night. The rules that have been set out for urban child care just are not adequate and do not fit.

• (1900)

For the decade and a half that I have been in this Chamber, I know of groups that have been trying to find a model for rural child care that is flexible, that will work, and that provides all of the requirements for children and still provides the basic necessities available for urban child care but can be adapted to rural communities.

We have watched a model of child care develop at Langruth, Manitoba. That very small community of some 500 souls has developed a child care facility that meets all of those requirements. It has been in operation for about two and a half years and provides child care for some 40 children. It is considered to have overcome most of the organizational problems, the service delivery models and particularly provides the required flexibility.

There is an old saying that it takes an entire village to raise a child. All communities whether they are strung out rural communities or local neighbourhoods in cities understand that. Particularly in an era of the global village we understand that the whole of society must contribute to the raising of a child. Therefore it is only fair that the money which has been allocated for child care should also be equally available to rural families.

I would hope that the government would state how much, what proportion and what its plans—

**The Deputy Speaker:** Order please. The hon. Parliamentary Secretary to the Prime Minister.

**Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.):** Mr. Speaker, I am pleased to respond to the member for Mackenzie.

This government is committed to improving child care in Canada. In its red book the government committed itself to investing $720 million toward that end. The intent is to expand existing child care in Canada by 150,000 new quality child care spaces, 50,000 to be phased in over the next three year period.

The implementation of the federal initiative will be done in co–operation with the provinces since child care is a provincial responsibility. Initial discussions with provincial authorities have shown that rural child care is a priority for any new spending. However no decisions have been taken yet on the allocation of spaces. The provinces will decide on the distribution of funds and services to their rural communities. During these discussions most provinces indicated a preference for rural population in new cost sharing arrangements with the federal government.

In his question, the member referred to Langruth, Manitoba as a model for delivering rural child care. This centre is an excellent example of federal–provincial co–operation. The centre became operational through provincial support and federal funding under the child care initiatives fund program. The centre's program is designed to meet the specific child care needs identified by families living in that rural community.

I would remind the member for Mackenzie that the federal government currently contributes significantly to the cost of child care services in Canada. The federal government is contributing in excess of $400 million annually to support child care services mainly through the Canada assistance plan. Clearly that is not enough and more needs to be done. The human resources minister tabled a discussion paper on social security reform which addressed the whole issue of child care. Page 53 is the reference.

In closing, I would like to invite the member for Mackenzie to submit any proposals on how we could develop child care in rural parts of Canada to the Minister of Human Resources Development. I am sure he would be very interested.

## RAILWAY WORKERS

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, I am here today to pursue a question that I asked of the Deputy Prime Minister. The Minister of Transport was not in the House at the time but I asked the Deputy Prime Minister whether or not letters that were being sent to the Prime Minister with respect to something the Minister of Transport had said would be answered.

These letters are from the Brotherhood of Locomotive Engineers and the United Transportation Union and others. They were calling on the Prime Minister to ask the Minister of Transport to apologize for remarks that he had made and to which railroaders had taken offence.

• (1905)

Subsequent to my question and to putting in for this adjournment debate the Minister of Transport had an opportunity to explain what he had to say in the House during question period earlier today.

I listened carefully to what he said. I think he could probably bring the matter to a close if he had added, and perhaps that is what he wants to do now, that if people took offence at what he said that he would apologize. He explained himself earlier today but did not actually apologize. Clearly some very sincere offence was taken at what the minister said. I look forward to what he has to say.

While I have him here and because I have so much difficulty in communicating with the minister on the floor of the House, perhaps he might also want to comment on a couple of other matters.

Recently a colleague of his, the member for Thunder Bay—Nipigon said that we would be better off without Churchill in the Canadian port system. This runs directly contrary to promises made by the Liberals in Manitoba during the last election.

Another matter has to do with Manitoba and Liberal promises during the last election has to do with the Liberals making a lot of promises in Winnipeg with respect to stopping the flow of jobs from Winnipeg to Edmonton on the part of CN. Subsequent to the election of the new government, CN has announced that it will be moving its rail traffic control centre and its crew calling offices from Winnipeg to Edmonton in 1995.

Here we have two Liberal promises to Manitoba, that Churchill would be revived and that the bleeding of jobs from Winnipeg to Edmonton on the part of CN would be stopped. What do we have? We have the rail traffic control and the crew calling jobs being transferred from Winnipeg to Edmonton, and we have a Liberal chair of a committee looking into ports and the seaway, et cetera, saying that we would be better off without Churchill.

I hope the minister can deal with these matters, repudiate the member for Thunder Bay—Nipigon and say that Churchill is still part of the plan for the Liberal government. Could he also say that pursuant to the promises made by his colleague, the member for Winnipeg South and the minister of human resources, that the Ministry of Transport and the government will be instructing CN to stop this constant diminution of Winnipeg as a rail centre by transferring jobs to Edmonton.

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I want to thank my colleague for recognizing that I had tried to explain the context in which the remarks were made in Winnipeg.

I do not know the rules on this, but let me explain with respect to Churchill. There is a marine review going on and Churchill will be addressed as well as the comments made by my hon. friend whom he mentioned in his speech.

With respect to jobs in Winnipeg, CN has just announced hundreds of jobs in Winnipeg. I was there a couple of weeks ago and that was confirmed, so there has been an effort to retain some jobs there.

I want to address specifically the question that was raised a couple of weeks ago. In the 1950s and 1960s, thousands of CN employees worked in my province and many times I heard about the challenges that employees faced when representing their union brothers in trying to improve salaries, working conditions and safety conditions.

Many of these men to whom I spoke and listened to were veterans of World War I and II, like Luc Roussel and Bill Dunn who I mentioned this afternoon. They were very proud of what they had achieved in their military service but they understood they had very limited educations which was through no fault of their own. They had fought for their country and then they fought for their rights as workers, faced by highly skilled lawyers, negotiators for powerful railroad interests.

I said in Winnipeg that all parties today have to recognize their responsibilities with respect to where railroads are and what is happening, whether it is government or management. I also said that under no circumstances would I point a finger at those achievements arrived at by men who in many instances had only grades 7, 8 or 9 education who worked very hard at protecting their rights and the interests of those who have succeeded them.

Everybody in that room in Winnipeg, with the exception of the three people who walked out, knew exactly what I meant. It was a compliment to people who had made an enormous effort in the face of very difficult odds to achieve rights that were theirs.

I want to take up my friend's suggestion and apologize to anyone who has been mislead by the way those remarks were interpreted. I apologize if anyone felt slighted by them because those achievements were remarkable in those days. Now I think it is time for us to move on and make sure that the railroaders of today have a future by making sure the conditions they work in and the railroads they work for can be viable.

**The Deputy Speaker:** Colleagues, pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted.

Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.11 p.m.)

# HOUSE OF COMMONS

**Thursday November 3, 1994**

The House met at 10 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*Translation*]

### CANADIAN WHEAT BOARD ACT

The House resumed from November 2 consideration of Bill C–50, an act to amend the Canadian Wheat Board Act, as reported (with amendments) from the committee.

**The Deputy Speaker:** It being 10 a.m., pursuant to Standing Order 45(5)(a), the House will now proceed to the taking of the deferred divisions on the motions at the report stage of Bill C–50, an act to amend the Canadian Wheat Board Act.

The first division is on Motion No. 1.

Call in the members.

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

(*Division No. 100*)

YEAS

Members

Bachand
Bellehumeur
Bouchard
Bélisle
Canuel
Caron
Chrétien (Frontenac)
Crête
Dalphond–Guiral
Daviault
Debien
de Savoye
Dubé
Dumas
Gagnon (Québec)
Godin
Guay
Jacob
Lalonde
Landry
Langlois
Laurin
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Marchand
Mercier
Ménard
Nunez
Paré
Picard (Drummond)
Pomerleau
Rocheleau
Sauvageau
St–Laurent
Tremblay (Rimouski—Témiscouata)
Venne—36

NAYS

Members

Adams
Alcock
Allmand
Althouse
Anderson
Arseneault
Assad
Assadourian
Augustine
Axworthy (Saskatoon—Clark's Crossing
Bakopanos
Barnes
Bellemare
Benoit
Berger
Bertrand
Bethel
Bevilacqua
Blaikie
Blondin–Andrew
Bodnar
Bonin
Boudria
Bridgman
Brown (Calgary Southeast)
Brown (Oakville—Milton)
Brushett
Bryden
Bélair
Caccia
Calder
Catterall
Chan
Chatters
Clancy
Cohen
Collenette
Collins
Copps
Cowling
Culbert
DeVillers
Dingwall
Dromisky
Duhamel
Duncan
Dupuy
Easter
Eggleton
English
Epp
Finlay
Fontana
Fry
Gaffney
Gagliano
Gallaway
Gerrard
Gilmour
Godfrey
Goodale
Gouk
Grey (Beaver River)
Guarnieri
Hanger
Hanrahan
Harb
Harper (Calgary West)
Hart
Harvard
Hayes
Hill (Macleod)
Hill (Prince George—Peace River)
Hopkins
Ianno
Iftody
Irwin
Jackson
Jennings
Johnston
Jordan
Kilger (Stormont—Dundas)
Kirkby
Knutson
Kraft Sloan
Lastewka
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
Loney
MacLaren (Etobicoke North)
MacLellan (Cape/Cap Breton—The Sydneys)
Malhi
Maloney
Marchi
Martin (Esquimalt—Juan de Fuca)
Massé
Mayfield
McClelland (Edmonton Southwest)
McCormick
McKinnon
McLellan (Edmonton Northwest)
McTeague
Meredith
Milliken
Mills (Broadview—Greenwood)
Minna
Morrison
Murphy
Murray
Nault
O'Brien
O'Reilly
Ouellet
Pagtakhan
Parrish
Patry
Peric
Peters
Phinney
Proud
Ramsay
Reed
Regan
Richardson
Riis
Ringma
Ringuette–Maltais
Robichaud
Rompkey
Schmidt
Scott (Fredericton—York—Sunbury)
Scott (Skeena)
Shepherd
Sheridan
Silye
Simmons
Solberg
Solomon
Speller
Steckle
Stewart (Brant)
Stewart (Northumberland)
Stinson
Strahl
Szabo
Taylor
Telegdi
Terrana
Thalheimer
Thompson

Ur
Verran
Wells
Wood
Zed—159

Valeri
Wappel
Williams
Young

## PAIRED—MEMBERS

Members

Asselin
Bernier (Gaspé)
Brien
Discepola
Gray (Windsor West)
Lefebvre
Loubier
MacDonald
McWhinney
Plamondon
St. Denis

Axworthy (Winnipeg South Centre)
Bernier (Mégantic—Compton—Stanstead)
Deshaies
Gauthier (Roberval)
Guimond
Leroux (Richmond—Wolfe)
MacAulay
Manley
Peterson
Serré
Walker

● (1035)

**The Deputy Speaker:** I declare Motion No. 1 negatived.

*[English]*

The next question is on Motion No. 4.

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

*(Division No. 101)*

## YEAS

Members

Bachand
Benoit
Bridgman
Bélisle
Caron
Chrétien (Frontenac)
Dalphond-Guiral
Debien
Dubé
Dumas
Epp
Gilmour
Gouk
Guay
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Ménard
Paré
Pomerleau
Ringma
Sauvageau
Scott (Skeena)
Solberg
Stinson
Thompson
Venne

Bellehumeur
Bouchard
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Daviault
de Savoye
Duceppe
Duncan
Gagnon (Québec)
Godin
Grey (Beaver River)
Hanger
Harper (Calgary West)
Hart
Hill (Macleod)
Jacob
Johnston
Landry
Laurin
Lebel
Marchand
Mayfield
Mercier
Morrison
Nunez
Picard (Drummond)
Ramsay
Rocheleau
Schmidt
Silye
St-Laurent
Strahl
Tremblay (Rimouski—Témiscouata)
White (North Vancouver)

Williams—73

## NAYS

Members

Adams
Allmand
Anderson
Assad
Augustine
Bakopanos
Bellemare
Bertrand
Bevilacqua
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Caccia
Catterall
Clancy
Collenette
Copps
Culbert
Dingwall
Duhamel
Easter
English
Fontana
Gaffney
Gallaway
Godfrey
Guarnieri
Harvard
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Malhi
Marchi
McCormick
McLellan (Edmonton Northwest)
Milliken
Minna
Murray
O'Brien
Ouellet
Parrish
Peric
Phinney
Reed
Richardson
Ringuette-Maltais
Rompkey
Shepherd
Simmons
Speller
Stewart (Brant)
Szabo
Telegdi
Thalheimer
Valeri
Wappel
Wood
Zed—127

Alcock
Althouse
Arseneault
Assadourian
Axworthy (Saskatoon—Clark's Crossing
Barnes
Berger
Bethel
Blaikie
Bodnar
Boudria
Brushett
Bélair
Calder
Chan
Cohen
Collins
Cowling
DeVillers
Dromisky
Dupuy
Eggleton
Finlay
Fry
Gagliano
Gerrard
Goodale
Harb
Hopkins
Iftody
Jackson
Kilger (Stormont—Dundas)
Knutson
Lastewka
Lee
Loney
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Massé
McKinnon
McTeague
Mills (Broadview—Greenwood)
Murphy
Nault
O'Reilly
Pagtakhan
Patry
Peters
Proud
Regan
Riis
Robichaud
Scott (Fredericton—York—Sunbury)
Sheridan
Solomon
Steckle
Stewart (Northumberland)
Taylor
Terrana
Ur
Verran
Wells
Young

## PAIRED—MEMBERS

Asselin
Bernier (Gaspé)
Brien
Discepola
Gray (Windsor West)
Lefebvre
Loubier
MacDonald
McWhinney
Plamondon
St. Denis

Axworthy (Winnipeg South Centre)
Bernier (Mégantic—Compton—Stanstead)
Deshaies
Gauthier (Roberval)
Guimond
Leroux (Richmond—Wolfe)
MacAulay
Manley
Peterson
Serré
Walker

• (1045)

**The Deputy Speaker:** I declare the motion lost.

The next question is on Motion No. 5.

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

(*Division No. 102*)

## YEAS

Members

| | |
|---|---|
| Althouse | Axworthy (Saskatoon—Clark's Crossing |
| Blaikie | Riis |
| Solomon | Taylor—6 |

## NAYS

Members

| | |
|---|---|
| Adams | Alcock |
| Allmand | Anderson |
| Arseneault | Assad |
| Assadourian | Augustine |
| Bachand | Bakopanos |
| Barnes | Bellehumeur |
| Bellemare | Benoit |
| Berger | Bertrand |
| Bethel | Bevilacqua |
| Blondin–Andrew | Bodnar |
| Bonin | Bouchard |
| Boudria | Bridgman |
| Brown (Calgary Southeast) | Brown (Oakville—Milton) |
| Brushett | Bryden |
| Bélair | Bélisle |
| Caccia | Calder |
| Canuel | Caron |
| Catterall | Chan |
| Chatters | Chrétien (Frontenac) |
| Clancy | Cohen |
| Collenette | Collins |
| Copps | Cowling |
| Crête | Culbert |
| Cummins | Dalphond–Guiral |
| Daviault | Debien |
| de Savoye | DeVillers |
| Dingwall | Dromisky |
| Dubé | Duceppe |
| Duhamel | Dumas |
| Duncan | Dupuy |
| Easter | Eggleton |
| English | Epp |
| Fillion | Finlay |
| Fontana | Fry |
| Gaffney | Gagliano |
| Gagnon (Québec) | Gallaway |
| Gerrard | Gilmour |
| Godfrey | Godin |
| Goodale | Gouk |
| Grey (Beaver River) | Guarnieri |
| Guay | Hanger |
| Hanrahan | Harb |
| Harper (Calgary West) | Harper (Simcoe Centre) |
| Hart | Harvard |
| Hayes | Hill (Macleod) |
| Hill (Prince George—Peace River) | Hopkins |
| Ianno | Iftody |
| Irwin | Jackson |
| Jacob | Jennings |
| Johnston | Jordan |
| Kilger (Stormont—Dundas) | Kirkby |
| Knutson | Kraft Sloan |
| Lalonde | Landry |
| Langlois | Lastewka |
| Laurin | Lavigne (Beauharnois—Salaberry) |
| LeBlanc (Cape/Cap Breton Highlands—Canso) | Lee |
| Leroux (Shefford) | Lincoln |
| Loney | MacLaren (Etobicoke North) |
| MacLellan (Cape/Cap Breton—The Sydneys) | Malhi |
| Maloney | Marchand |
| Marchi | Martin (Esquimalt—Juan de Fuca) |
| Massé | Mayfield |
| McClelland (Edmonton Southwest) | McCormick |
| McKinnon | McLellan (Edmonton Northwest) |
| McTeague | Mercier |
| Meredith | Milliken |
| Mills (Broadview—Greenwood) | Minna |
| Morrison | Murphy |
| Murray | Ménard |
| Nault | Nunez |
| O'Brien | O'Reilly |
| Ouellet | Pagtakhan |
| Parrish | Paré |
| Patry | Peric |
| Peters | Phinney |
| Picard (Drummond) | Pomerleau |
| Proud | Ramsay |
| Reed | Regan |
| Richardson | Ringma |
| Ringuette–Maltais | Robichaud |
| Rocheleau | Rompkey |
| Sauvageau | Schmidt |
| Scott (Fredericton—York—Sunbury) | Scott (Skeena) |
| Shepherd | Sheridan |
| Silye | Simmons |
| Solberg | Speller |
| St–Laurent | Steckle |
| Stewart (Brant) | Stewart (Northumberland) |
| Stinson | Strahl |
| Szabo | Telegdi |
| Terrana | Thalheimer |
| Thompson | Tremblay (Rimouski—Témiscouata) |
| Ur | Valeri |
| Venne | Verran |
| Wappel | Wells |
| White (North Vancouver) | Williams |
| Wood | Young |
| Zed—195 | |

## PAIRED—MEMBERS

| | |
|---|---|
| Asselin | Axworthy (Winnipeg South Centre) |
| Bernier (Gaspé) | Bernier (Mégantic—Compton—Stanstead) |
| Brien | Deshaies |
| Discepola | Gauthier (Roberval) |
| Gray (Windsor West) | Guimond |
| Lefebvre | Leroux (Richmond—Wolfe) |
| Loubier | MacAulay |
| MacDonald | Manley |
| McWhinney | Peterson |
| Plamondon | Serré |
| St. Denis | Walker |

● (1050)

[*Translation*]

**The Deputy Speaker:** I declare Motion No. 5 negatived.

The next question is on Motion No. 2.

(The House divided on the motion which was negatived on the following division:)

*(Division No. 103)*

YEAS

Members

Althouse
Bachand
Blaikie
Bélisle
Caron
Crête
Daviault
de Savoye
Duceppe
Fillion
Godin
Jacob
Landry
Laurin
Lebel
Marchand
Ménard
Paré
Pomerleau
Rocheleau
Solomon
Taylor
Venne—45

Axworthy (Saskatoon—Clark's Crossing
Bellehumeur
Bouchard
Canuel
Chrétien (Frontenac)
Dalphond-Guiral
Debien
Dubé
Dumas
Gagnon (Québec)
Guay
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Mercier
Nunez
Picard (Drummond)
Riis
Sauvageau
St-Laurent
Tremblay (Rimouski—Témiscouata)

NAYS

Members

Adams
Allmand
Arseneault
Assadourian
Bakopanos
Bellemare
Berger
Bethel
Blondin-Andrew
Bonin
Bridgman
Brown (Oakville—Milton)
Bryden
Caccia
Catterall
Chatters
Cohen
Collins
Cowling
Cummins
Dingwall
Duhamel
Dupuy
Eggleton
Epp
Fontana
Gaffney
Gallaway
Gilmour
Goodale
Grey (Beaver River)
Hanger
Harb

Alcock
Anderson
Assad
Augustine
Barnes
Benoit
Bertrand
Bevilacqua
Bodnar
Boudria
Brown (Calgary Southeast)
Brushett
Bélair
Calder
Chan
Clancy
Collenette
Copps
Culbert
DeVillers
Dromisky
Duncan
Easter
English
Finlay
Fry
Gagliano
Gerrard
Godfrey
Gouk
Guarnieri
Hanrahan
Harper (Calgary West)
Harper (Simcoe Centre)
Harvard
Hill (Macleod)
Hopkins
Iftody
Jackson
Johnston
Kilger (Stormont—Dundas)
Knutson
Lastewka
Lee
Loney
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Martin (Esquimalt—Juan de Fuca)
Mayfield
McCormick
McLellan (Edmonton Northwest)
Meredith
Mills (Broadview—Greenwood)
Morrison
Murray
O'Brien
Ouellet
Parrish
Peric
Phinney
Ramsay
Regan
Ringma
Robichaud
Schmidt
Scott (Skeena)
Sheridan
Simmons
Speller
Stewart (Brant)
Stinson
Szabo
Terrana
Thompson
Valeri
Wappel
White (North Vancouver)
Wood
Zed—157

Hart
Hayes
Hill (Prince George—Peace River)
Ianno
Irwin
Jennings
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Malhi
Marchi
Massé
McClelland (Edmonton Southwest)
McKinnon
McTeague
Milliken
Minna
Murphy
Nault
O'Reilly
Pagtakhan
Patry
Peters
Proud
Reed
Richardson
Ringuette-Maltais
Rompkey
Scott (Fredericton—York—Sunbury)
Shepherd
Silye
Solberg
Steckle
Stewart (Northumberland)
Strahl
Telegdi
Thalheimer
Ur
Verran
Wells
Williams
Young

PAIRED—MEMBERS

Asselin
Bernier (Gaspé)
Brien
Discepola
Gray (Windsor West)
Lefebvre
Loubier
MacDonald
McWhinney
Plamondon
St. Denis

Axworthy (Winnipeg South Centre)
Bernier (Mégantic—Compton—Stanstead)
Deshaies
Gauthier (Roberval)
Guimond
Leroux (Richmond—Wolfe)
MacAulay
Manley
Peterson
Serré
Walker

● (1100)

**The Deputy Speaker:** I declare the motion negatived.

[*English*]

The next question is on Motion No. 3.

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. I think you would find the House would give its consent to apply the vote taken on Motion No. 4 to Motion No. 3, save and except that

I think a member of the New Democratic Party may make a small alteration to that for the purposes of his colleagues.

**Mr. Taylor:** Mr, Speaker, on behalf of my colleagues in the New Democratic Party, I concur that we would accept the application of the vote taken on Motion No. 4 to Motion No. 3 that is before us.

We would like yes votes to apply to the members for Kamloops, Winnipeg Transcona, Mackenzie, The Battlefords—Meadow Lake, Saskatoon—Clark's Crossing, and Regina—Lumsden.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

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

*(Division No. 104)*

YEAS

Members

Althouse
Bachand
Benoit
Bouchard
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Daviault
de Savoye
Duceppe
Duncan
Gagnon (Québec)
Godin
Grey (Beaver River)
Hanger
Harper (Calgary West)
Hart
Hill (Macleod)
Jacob
Johnston
Landry
Laurin
Lebel
Marchand
Mayfield
Mercier
Morrison
Nunez
Picard (Drummond)
Ramsay
Ringma
Sauvageau
Scott (Skeena)
Solberg
St-Laurent
Strahl
Thompson
Venne
Williams—79

Axworthy (Saskatoon—Clark's Crossing
Bellehumeur
Blaikie
Bridgman
Bélisle
Caron
Chrétien (Frontenac)
Dalphond-Guiral
Debien
Dubé
Dumas
Epp
Gilmour
Gouk
Guay
Hanrahan
Harper (Simcoe Centre)
Hayes
Hill (Prince George—Peace River)
Jennings
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Ménard
Paré
Pomerleau
Riis
Rocheleau
Schmidt
Silye
Solomon
Stinson
Taylor
Tremblay (Rimouski—Témiscouata)
White (North Vancouver)

NAYS

Members

Adams
Allmand
Arseneault
Assadourian
Bakopanos
Bellemare
Bertrand
Bevilacqua
Bodnar
Boudria
Brushett
Bélair
Calder
Chan
Cohen
Collins
Cowling
DeVillers
Dromisky
Dupuy
Eggleton
Finlay
Fry
Gagliano
Gerrard
Goodale
Harb
Hopkins
Iftody
Jackson
Kilger (Stormont—Dundas)
Knutson
Lastewka
Lee
Loney
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Massé
McKinnon
McTeague
Mills (Broadview—Greenwood)
Murphy
Nault
O'Reilly
Pagtakhan
Patry
Peters
Proud
Regan
Ringuette-Maltais
Rompkey
Shepherd
Simmons
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Valeri
Wappel
Wood
Zed—121

Alcock
Anderson
Assad
Augustine
Barnes
Berger
Bethel
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Caccia
Catterall
Clancy
Collenette
Copps
Culbert
Dingwall
Duhamel
Easter
English
Fontana
Gaffney
Gallaway
Godfrey
Guarnieri
Harvard
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Malhi
Marchi
McCormick
McLellan (Edmonton Northwest)
Milliken
Minna
Murray
O'Brien
Ouellet
Parrish
Peric
Phinney
Reed
Richardson
Robichaud
Scott (Fredericton—York—Sunbury)
Sheridan
Speller
Stewart (Brant)
Szabo
Terrana
Ur
Verran
Wells
Young

PAIRED—MEMBERS

Asselin
Bernier (Gaspé)
Brien
Discepola
Gray (Windsor West)
Lefebvre
Loubier
MacDonald
McWhinney
Plamondon
St. Denis

Axworthy (Winnipeg South Centre)
Bernier (Mégantic—Compton—Stanstead)
Deshaies
Gauthier (Roberval)
Guimond
Leroux (Richmond—Wolfe)
MacAulay
Manley
Peterson
Serré
Walker

**The Deputy Speaker:** I declare Motion No. 3 lost.

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.)** moved that the bill, as amended, be concurred in.

**The Deputy Speaker:** Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. I wonder if the House would agree to take the vote on Motion No. 5 and apply it in reverse to this motion. I think you would find the result is identical.

**The Deputy Speaker:** Is there unanimous consent?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** Call in the members.

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

*(Division No. 105)*

YEAS

Members

Adams
Allmand
Arseneault
Assadourian
Bakopanos
Bellemare
Berger
Bethel
Blondin-Andrew
Bonin
Bridgman
Brown (Oakville—Milton)
Bryden
Caccia
Catterall
Chatters
Cohen
Collins
Cowling
Cummins
Dingwall
Duhamel
Dupuy
Eggleton
Epp
Fontana
Gaffney
Gallaway
Gilmour
Goodale
Grey (Beaver River)
Hanger
Harb
Harper (Simcoe Centre)
Harvard
Hill (Macleod)
Hopkins
Iftody
Jackson
Johnston
Kilger (Stormont—Dundas)
Knutson
Lastewka
Lee
Loney
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Martin (Esquimalt—Juan de Fuca)
Mayfield
McCormick
McLellan (Edmonton Northwest)
Meredith
Mills (Broadview—Greenwood)
Morrison
Murray
O'Brien
Ouellet
Parrish
Peric
Phinney
Ramsay
Regan
Ringma
Robichaud
Schmidt
Scott (Skeena)
Sheridan
Simmons
Speller
Stewart (Brant)
Stinson
Szabo
Terrana
Thompson
Valeri
Wappel
White (North Vancouver)
Wood
Zed—157

Alcock
Anderson
Assad
Augustine
Barnes
Benoit
Bertrand
Bevilacqua
Bodnar
Boudria
Brown (Calgary Southeast)
Brushett
Bélair
Calder
Chan
Clancy
Collenette
Copps
Culbert
DeVillers
Dromisky
Duncan
Easter
English
Finlay
Fry
Gagliano
Gerrard
Godfrey
Gouk
Guarnieri
Hanrahan
Harper (Calgary West)
Hart
Hayes
Hill (Prince George—Peace River)
Ianno
Irwin
Jennings
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
MacLaren (Etobicoke North)
Malhi
Marchi
Massé
McClelland (Edmonton Southwest)
McKinnon
McTeague
Milliken
Minna
Murphy
Nault
O'Reilly
Pagtakhan
Patry
Peters
Proud
Reed
Richardson
Ringuette-Maltais
Rompkey
Scott (Fredericton—York—Sunbury)
Shepherd
Silye
Solberg
Steckle
Stewart (Northumberland)
Strahl
Telegdi
Thalheimer
Ur
Verran
Wells
Williams
Young

NAYS

Members

Althouse
Bachand
Blaikie
Bélisle
Caron
Crête
Daviault
de Savoye
Duceppe
Fillion
Godin
Jacob
Landry
Laurin
Lebel
Marchand
Ménard
Paré
Pomerleau
Axworthy (Saskatoon—Clark's Crossing
Bellehumeur
Bouchard
Canuel
Chrétien (Frontenac)
Dalphond-Guiral
Debien
Dubé
Dumas
Gagnon (Québec)
Guay
Lalonde
Langlois
Lavigne (Beauharnois—Salaberry)
Leroux (Shefford)
Mercier
Nunez
Picard (Drummond)
Riis

| | |
|---|---|
| Rocheleau | Sauvageau |
| Solomon | St-Laurent |
| Taylor | Tremblay (Rimouski—Témiscouata) |
| Venne—45 | |

PAIRED—MEMBERS

| | |
|---|---|
| Asselin | Axworthy (Winnipeg South Centre) |
| Bernier (Gaspé) | Bernier (Mégantic—Compton—Stanstead) |
| Brien | Deshaies |
| Discepola | Gauthier (Roberval) |
| Gray (Windsor West) | Guimond |
| Lefebvre | Leroux (Richmond—Wolfe) |
| Loubier | MacAulay |
| MacDonald | Manley |
| McWhinney | Peterson |
| Plamondon | Serré |
| St. Denis | Walker |

• (1110)

**The Deputy Speaker:** I declare the motion carried.

When shall the bill be read a third time? At the next sitting of the House?

**Some hon. members:** Agreed.

**Mr. Milliken:** Mr. Speaker, I could not hear your question; I wonder if you could go back to it. Did you ask when shall the bill be read a third time, and what was the answer?

I ask that with consent it be later this day. I did not hear you ask the question because of the noise. I think you would find consent of the House to have the third reading of the bill later this day.

**The Deputy Speaker:** Is there unanimous consent to have the bill read a third time later today?

**Some hon. members:** Yes.

**Some hon. members:** No.

**The Deputy Speaker:** There is objection to the third reading of the bill today.

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# ROUTINE PROCEEDINGS

[*English*]

## ORDER IN COUNCIL APPOINTMENTS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** 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.



## SOUTH AFRICA

**Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.):** Mr. Speaker, six months after historic elections in South Africa, I am taking this moment to speak about the government's interim and new program which Canada is beginning to implement in South Africa.

As members know, Canada has a long and honourable tradition of support to the people of South Africa. What a joy it was for those of us Canadians who were privileged to participate in the election process of April and May.

[*Translation*]

However, South Africa needs constant support if it is to successfully emerge as a democratic society, prosper economically, and develop the potential of its population as a whole.

The transition from apartheid and conflicts to reconciliation and rebuilding will bring new challenges.

[*English*]

I am presenting to the House today an outline of Canada's new three-year bilateral program with an allocation of up to $20 million for the next fiscal year.

In the past resources from the Canadian International Development Agency as well as from Canadian NGOs, churches, academia, businesses, professional groups and unions have been critical in facilitating the heroic strides of the South African people toward a more democratic society.

For a number of years we have worked with South African groups disadvantaged by apartheid to lay the basis for their involvement in their country's affairs.

• (1115)

CIDA has extended its special South Africa fund. This fund will next year make available $2.5 million to Canadian organizations which have already established strong linkages with partners in South Africa.

With the end of apartheid and the inauguration of Nelson Mandela as president, the Canadian government has acted promptly to re-establish bilateral relations in a number of areas. We have extended the general preferential tariff to South Africa. A Canadian trade office was opened in Johannesburg in February 1994 during a visit by the Minister for International Trade.

Subsequently Canadian exports to South Africa for the first six months of the year were about 75 per cent higher than they were for the same period last year. A significant portion of these exports is in the form of manufactured and high technology Canadian products.

Throughout the transition period there has been a strong level of interest in Canadian models of government and experiences. This interest continues.

In July of this year the South African minister of constitutional development led a high level delegation of ministers, MPs and academics to study our system. This week another group of South African public servants is visiting Canada to acquaint themselves with how we develop our foreign policy.

[*Translation*]

Moreover, South Africa asked for and was given advice on various issues, especially on the refugee status claims processing system it is setting up. Canada offered to help South Africa become an active member of several multilateral organizations.

[*English*]

For our efforts and our expertise Canada has been singled out. On September 1 South Africa's minister of arts, culture, science and technology, Dr. B.S. Ngubane, speaking in his country's Parliament acknowledged the contribution through Canada's International Development Research Centre to the creation of a science and technology initiative.

The government has made a commitment to open the process of foreign policy making to all Canadians. In May of this year we held a major consultation in Ottawa and invited representatives of academia, the business community, church groups, unions and developmental non–government organizations to discuss priorities for the new South Africa. Their input has been vital in establishing the four key priorities for the next three years in South Africa.

The first priority is governance. We will continue with our $10 million public service policy project funded by CIDA and managed by the International Development Research Centre. In addition we will begin more intensive training of senior civil servants and government officials from among groups previously excluded from top government positions.

[*Translation*]

The second priority is human resource training to improve the education sector and correct the past injustices of apartheid. As we all know, it is critical to raise the general skill level of the population. To work efficiently, a society needs a more open and tolerant political culture.

[*English*]

Third, we will have strengthened civil society. With the transition to a new government many of the old organizations which were organized around resistance now need to transform themselves into bodies which can represent their constituents in a more peaceful but effective manner. We will support them in making this transition.

The fourth priority will emphasize economic growth in South Africa with a particular focus on the participation of black business people in various sectors of the economy as well as the consolidation of Canadian linkages.

We believe that linking our four priorities with the help of all our Canadian partners is the only way Canada can ensure coherent, broad based development which will promote enduring peace and security in South Africa. We need to protect and nourish the South African beacon of hope on the African continent for the sake of all on that continent.

I thank all Canadians for their collaboration in this process.

[*Translation*]

**Mr. Philippe Paré (Louis–Hébert, BQ):** Mr. Speaker, on behalf of all the Bloc members, I am pleased to speak on the issue of South Africa. The Secretary of State is giving us this opportunity, this morning, with her outline of the new interim program Canada is beginning to implement in that country. We must welcome this new Canadian commitment very favourably. Indeed, South Africa needs the constant support of the international community to be able to pursue successfully its democratization process.

• (1120)

As I mentioned in this House on April 26, while for the first time, Blacks in all the villages, towns and cities of South Africa were starting to vote in order to elect representatives, as parliamentarians, we cannot remain indifferent to the testimony of an elderly citizen who told us: "Now that I have voted for the first time in my life, I can die".

As indicated by the Secretary of State, governance, human resources training, strengthening the civil society, and economic growth in South Africa seem to be well–targeted priorities. We are confident that they will make it possible to sustain coherent development, which will bolster lasting peace and social justice.

This three–year $20 million program is very timely. We believe that Canada, in addition to its foreign aid action and its remarkable involvement in UN peacekeeping, must make the promotion of human rights and democracy one of the key areas, if not the cornerstone of its foreign policy.

Canada's recent turnaround on this fundamental issue does not augur well. If the Secretary of State is as concerned about promoting democracy as she would have us believe this morning, can she tell us what she really thinks of her government's drastic change of direction on this issue, a change which is far from identifying democracy and human rights as one of the main elements shaping Canada's foreign policy?

I want to take the opportunity given to us this morning to call upon the Secretary of State to intervene. Her government's lack of leadership on the issue of human rights is an outright shame. I urge her to ask her Prime Minister not to renege on Canada's international commitments such as those made at the 1989 Dakar Francophone Summit, where the 42 French-speaking countries passed a Canadian resolution to give basic objective status to the protection of human rights in the international community.

Indeed, respect of individual rights was confirmed as a determining factor in the granting of international assistance at the 1991 Commonwealth Summit in Zimbabwe. So, on behalf of the thousands of Chinese people who have been left to rot in prison unjustly, I call upon her, I urge her to ask her Prime Minister to raise publicly the issue of human rights violation during his visit to China. It is her duty to do so, unless she too is afraid that Canada will be laughed at.

But the example of South Africa speaks for itself. This shift the government is making will unfortunately cause the issue of human rights to be discussed behind the scenes, to humour certain nations, particularly potential commercial channels for Canada. We suggest that Canadian action should be consistent. Canada should have the courage of its convictions if it hopes to be respected and to maintain its credibility around the world.

[*English*]

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, I thank the hon. Secretary of State for African and Central American Affairs for recognizing the need of South Africa and continuing the longstanding relationship that our countries have had.

Having spent time working and travelling in the country, I am always struck by the enormous amount of potential that the country has both in terms of human and material resources. It can be the powerhouse that drives the whole southern half of a continent, a continent tragically that is littered with the carcasses of countries in various states of economic and political ruin.

The end of apartheid done so admirably by the country and with such extraordinary restraint is a resolution to only one-half of their problem. The other half, perhaps the more difficult one, still faces them. This is where our country can have an extraordinary effect.

We must do this given the constraints of the economic woes that we have within our own country.

• (1125)

The trick of course will be for the South African government to guide its country through the mine field of economic and societal problems that face it toward a productive, vibrant economy that is safe and peaceful, a society where everybody has equal rights under the law, a society where everybody has the opportunity to achieve their greatest potential.

We must do this to ensure that South Africa does not wind up on the tragic heap of African countries that have fallen to such a state of disrepair and I am optimistic that South Africa will not be one of them.

I have some questions for the hon. member. I see no amount as to the total amount of the aid package which will be given. This must be known. I would like to know exactly what projects are going to be funded and on behalf of the taxpayer request that accountability be set into the system.

I would also like to know exactly where these dollars are going in order to ensure that they are going to go to the people intended. I would encourage the member to involve a review process of the project so that we can assess and determine whether the moneys that we are spending are going to help the people who truly need them.

However, if I can synthesize the major problem that affects South Africa in its near natal stage, in its new South Africa, it will be the income disparity that exists between whites and blacks. This disparity and the extraordinary high expectations that have come post-election and how the government deals with this will be an incredibly important determining factor in the success or failure of the new South Africa.

Under the yoke of apartheid and through the sanctions, there have been bred at least two generations of people without money, without jobs and without hope which in turn has bred an extraordinarily high level of violence and many areas of siege mentality.

These expectations are asking for immediate gratification, expectations that unfortunately cannot be met in the short term. The cure for this lies in real sustainable jobs for the future which will provide the people with the funds to produce the necessities for life, education, good health and food and provide the tax structure and tax base that the government can utilize to provide for the infrastructure required.

It will also provide for a vibrant middle class, especially among the poor black populace. This is exceptionally important and cannot be underestimated. It will help to make the transition from the era of apartheid to a new South Africa one that is coherent and one that will be moving in the future for safety and prosperity for all.

I would however encourage our government and the Government of South Africa to listen to the following. Income distribution does not involve soaking the rich. It will be ineffective and counterproductive and will only drive out the skilled business sector and be counterproductive to those people who are meant to help.

It is only by retaining these skills and the goodwill of the business sector that help will be provided for the larger, broader poor and essentially the black population and enable them to improve their living standard.

It is important also for South Africa to encourage foreign investment and foreign investment from lending institutions. We must avoid quick social fixes because they do not work.

Social reform is imperative with education and primary health care and widely accessible birth control and public housing being at the top of the list. This cannot come at the expense of a free market economy but must occur in tandem.

In 1993 the government developed a $12 billion deficit. It must learn from our mistakes and not continue to spend in a deficit fashion. What it does is this. We know from our own sorry experience that it only seeks to compromise the very social programs and services that we hope to provide as governments.

It must also avoid greater government intervention. It is as we know a country that has an extraordinary amount of government intervention in its private sector. We must help it as a country to move away from that. We must therefore encourage its people to move toward privatization. We must also encourage the drop in tariff barriers and decrease the tariffs according to GATT.

Canada can indeed help this and I applaud the government in extension of the general preferential tariff. I would encourage it to remove as soon as possible the double taxation system that exists for companies that wish to invest in South Africa. This will go a long way toward helping our companies as well as their country toward a more productive, economic discourse between our two countries.

South Africa in essence needs trade, not aid, and the liberalization of trade between our two countries is of greatest importance.

• (1130)

I will conclude by saying that what has happened in that country has been truly extraordinary, the move by themselves away from apartheid with extraordinary divisions among the people and doing it in a peaceful fashion to move toward an era of hope and prosperity for all. I hope our country will enable them to do this within the constraints of our country's economic woes. I hope the hon. member will provide the information I asked for on the aid package that has been given.

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## COMMITTEES OF THE HOUSE

### PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 46th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Health.

Mr. Speaker, I think you will find there is unanimous consent of the House to dispense with the reading of the 46th report of the standing committee. I move that the 46th report of the Standing Committee on Procedure and House Affairs be concurred in.

(Motion agreed to.)

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I move:

> That the name of the following member be deleted from the list of associate members of the Standing Committee on Procedure and House Affairs: Mr. Axworthy (Saskatoon—Clark's Crossing); and that the name of the following member be added to the list of associate members of the Standing Committee on Procedure and House Affairs: Mr. Solomon.

(Motion agreed to.)

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## PETITIONS

### ASSISTED SUICIDE

**Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, I have a petition signed by many Canadians asking Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

This petition is signed by Ontario residents from Cobden, Kitchener, Haleys Station, Pembroke, Eganville, and CFB Borden, Mississauga, Chalk River, Calabogie, Bancroft and also from Low, Quebec.

### YOUNG OFFENDERS ACT

**Mr. Maurizio Bevilacqua (York North, Lib.):** Mr. Speaker, I rise to present a petition signed by over 5,000 people from the riding of York North and throughout the greater Toronto area in response to the murder of Brian Baylen, an employee in the town of Richmond Hill.

The petition calls for amendments to the Young Offenders Act. The petition urges the government to allow more realistic maximum penalties for violent crimes, to redefine the term young persons and reform sentencing in the Young Offenders Act.

I thank the residents of York North and in particular Susan Chase, a constituent of York North who made such great efforts to bring these concerns to the attention of Parliament. I personally will undertake to bring this petition to the attention of the Minister of Justice.

HUMAN RIGHTS

**Mr. Ted White (North Vancouver, Ref.):** Mr. Speaker, I rise today to present a petition on behalf of Jo Congdon and 50 others in which the petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

• (1135)

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, it is my responsibility today to present two petitions. The first petition is signed by 416 people from the riding of Calgary West and mainly other parts of the city of Calgary.

It asks that Parliament not amend the human rights code, the Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, the second petition comes from 135 electors also mainly in Calgary West and other parts of the city of Calgary.

This petition asks that Parliament continue to reject euthanasia and physician assisted suicide in Canada, that the present provisions of section 241 of the Criminal Code of Canada which forbids the counselling, procuring, aiding or abetting of a person to commit suicide be enforced vigorously and that Parliament consider expanding palliative care that would be accessible to all dying persons in Canada.

YOUNG OFFENDERS ACT

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, I have the privilege to present two petitions on behalf of 185 constituents.

In the first petition I would like to draw the attention of the House to the inadequacies of the Young Offenders Act. The petitioners are requesting that a complete and thorough review of existing legislation take place particularly aimed at changes to sentencing length on repeat offenders.

HUMAN RIGHTS

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, the second petition would like to draw the attention of the House to the issue of sexual orientation.

My constituents are requesting that Parliament not amend the human rights code or the Charter of Rights and Freedoms in any way which would indicate societal approval of same sex relationships.

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## QUESTIONS ON THE ORDER PAPER

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

**Mr. Scott (Skeena):** Mr. Speaker, I wish to draw to the attention of the House that Question No. 47 on the Order Paper has been there now for some 200 days. I would like to ask the government when we might expect an answer to that question.

**Mr. Milliken:** Mr. Speaker, I regret that there has been some delay in replying to some of the questions on the Order Paper.

The particular question to which the hon. member refers is one to which I have received a partial answer. Because the answer was incomplete I sent it back to the various departments requesting that a complete and full answer be furnished for the hon. member.

I do not know whether that request will be answered fully or not. However, when I receive further replies from the departments I will bring the answer I have to the House and make it available to the hon. member by depositing it in the House. If there is a further question of course he may want to ask it at that time.

**The Deputy Speaker:** Shall all the questions stand?

**Some hon. members:** Agreed.

[*Translation*]

**The Deputy Speaker:** I wish to inform the House that, because of the ministerial statement, Government Orders will be extended by 15 minutes, pursuant to Standing Order 33(2)(b).

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# GOVERNMENT ORDERS

[*English*]

## MARINE TRANSPORTATION SECURITY ACT

The House proceeded to the consideration of Bill C–38, an act to provide for the security of marine transportation, as reported (with amendments) from the committee.

**Hon. Fernand Robichaud (for the Minister of Transport)** moved that the bill, amended, be concurred in.

(Motion agreed to.)

**Mr. Robichaud (for the Minister of Transport)** moved that the bill be read the second time.

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

• (1140)

**The Deputy Speaker:** This is a new procedure, colleagues, which is why we have confusion up here.

**Mr. Fontana:** Point of order, Mr. Speaker. You alluded to the fact that it was a new procedure with respect to Bill C–38. I do want to thank all members of the House who worked on this bill at the standing committee for their co–operation. That is why this bill is moving so positively through the House. I convey that message of thanks to all members of all parties.

**Mr. Milliken:** Point of order, Mr. Speaker. I think you would find unanimous consent to proceed with third reading of Bill C–50 at this time. If that could be the next item of business called, I think it would be appropriate.

**The Deputy Speaker:** Is there unanimous consent to proceed with third reading of Bill C–50 at this time?

**Some hon. members:** Agreed.

* * *

[*Translation*]

## CANADIAN WHEAT BOARD ACT

**Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri–Food, Fisheries and Oceans), Lib.)** moved that Bill C–50, an act to amend the Canadian Wheat Board Act, be read the third time and passed.

He said: Mr. Speaker, grain production in Canada has never been a static industry. From the time wheat was first introduced to Western Canada in 1812 by the Selkirk Settlers in Manitoba's Red River Valley, the crop has been in a state of change. It has been adapted and improved to meet the needs of producers and consumers. Producers are always looking for improvements in qualities such as plant vigour, early maturity, resistance to shatter and resistance to rust. Consumers, in turn, look for the qualities they need to use the product in a variety of ways.

Here in Canada, we have been successful in breeding new crop varieties to meet these changing needs. Since the early 1930s, over 600 new crop varieties have been introduced. Canada has set international standards for quality with the wheat and barley we have developed. Still, as the needs of consumers and producers have become more finely focused, more sophisticated plant–breeding techniques have become necessary. While our research scientists may find varieties which fill our current needs, we cannot afford to rest on our past successes. Our grain crops must be able to adapt to the requirements of an ever–changing world.

For producers, it is important that the crops grow efficiently with excellent field performance.

• (1145)

From an environmental standpoint, this means high–yielding crops so we can free land resources for other uses. It also means crops which require reduced amounts of pesticides, fertilizers and other chemicals to reach their maximum potential.

The results of continued research allow prairie farmers to effectively produce the grain crops our customers demand. The need for this research comes from our industry and from producers. Grain growers across the prairies have told the minister that they want to play an important role in research since the results of research directly affect their operations and their livelihood.

This is why the Minister of Agriculture recommends amending the Canadian Wheat Board Act to allow voluntary levies to be deducted for the express purpose of supporting plant breeding research. An amendment is necessary since such deductions are not possible under the existing Canadian Wheat Board Act.

This check–off program has been developed in close consultation with the 12 prairie farm organizations that make up the Western Grains Research Foundation. These supporters include the United Grain Growers, Western Canadian Wheat Growers Association, Manitoba Pool Elevators, Saskatchewan Wheat Pool, Alberta Wheat Pool, Prairie Canola Growers Council, Flax Growers Western Canada, Keystone Agricultural Producers, Western Barley Growers Association, Oat Producers Association of Alberta, Canadian Seed Growers Association and Unifarm. Scientists from universities and from the department have also participated in planning this program.

With the passage of Bill C–50, research funds would be generated through voluntary levies on wheat and barley sales.

The proposed check–off program would apply a voluntary levy of 20 cents a tonne on wheat and 40 cents a tonne on barley. It is anticipated that this would generate about $4.7 million annually in funds to be applied directly to wheat and barley plant breeding research. This would be in addition to the over $21.5 million on wheat research in the 1993–94 crop year and a further $8 million on barley research which this government is already committed to.

Levies would be applied to producers' final payment cheques from the Canadian Wheat Board and placed in a special account. Funds from this account would be transferred to the Western Grains Research Foundation (WGRF), which will administer the research funding program. It is important to note that in maintaining our fiscal responsibility to all Canadians, this new program will create no new agency, institution or bureaucracy. This means that more producer dollars will go to research.

• (1150)

The administrative structure already in place at the Canadian Wheat Board would be used to collect the levy and a proven producer–driven research funding agency would distribute the funds. Total incremental administrative costs associated with this program are estimated to be in the range of 2 per cent of total levies collected.

By using structures already in place, we would be able to maximize producers' investments in research. The Foundation will report to all CWB permit book–holders so that they can see whether it is using their funds wisely. In a sense, the ultimate accountability of this program is that it is voluntary.

If a CWB permit book–holder does not agree with what the Western Grains Research Foundation is doing, he can withdraw from the program. The Foundation needs to demonstrate to producers that it is using their funds wisely, in order to maintain their support. At this point, I should add that the WGRF, a federally chartered public organization, has a proven track record in supporting effective pure research.

The importance of the investments made by our grain producers in research cannot be overestimated. This research has the potential to increase yields by 15 per cent, which could translate into additional gross earnings of $400 million a year for western grain farmers. This $400 million is not hyperbole, especially when you consider that a one–bushel–per–acre increase in wheat yields in Western Canada at today's prices would increase revenues by $100 million.

This program will help Canada remain competitive in the international market and help us maintain our position with other exporters. Just as important, research like this will help further the development of value–added products in the grains sectors. I mentioned earlier the increased income of potential international customers. It is these value–added products which will give us a distinct advantage when we are dealing with these customers, and it is research which will give Canada an advantage in developing new products.

This initiative is an excellent example of industry taking the lead in research funding. It also illustrates this government's willingness to address needs Canadians themselves have identified and to form strong partnerships for the good of all Canadians. With producers and government working together, all Canadians will share in the benefits of this program. I therefore recommend that the House approve Bill C–50, amending the Canadian Wheat Board Act to allow voluntary levies to be deducted in support of this important research program.

**Mr. Jean–Guy Chrétien (Frontenac, BQ):** Mr. Speaker, at the outset I would like to thank and congratulate my colleague from Beauséjour, the Secretary of State for Agriculture and Agri–Food, Fisheries and Oceans, for his great history lesson on the development of Western Canada.

He traced its evolution from 1812 through the dark years of the economic crisis in the 1930s to the subsequent development of 600 new wheat varieties.

• (1155)

We are participating in this afternoon's third reading of Bill C–50 in the light of the discussions held and the amendments debated a little earlier this week. I doubt we will learn anything new today. We covered all the bases and I am still convinced that this bill could be improved.

This bill amending the Canadian Wheat Board Act did not in the end give rise to a great debate. There was a good exchange of ideas but nothing revolutionary, although it is unusual to see the producers themselves propose that deductions be made from their earnings in order to finance wheat and barley research. This initiative of Western farmers deserves to be encouraged and commended.

I remember that former Liberal Minister of Agriculture Eugene Whelan—who left his mark, as all parliamentarians will agree—once told us that every dollar invested in agricultural research and development brings in $7. This is an investment that even you would not hesitate to make, if you could lend your money to a bank in return for a 700 per cent profit.

At the very beginning of the process involving this bill, we had an informal meeting with senior officials from Agriculture Canada. They explained to us that this bill was based on an initiative of Western grain producers. Of course, my colleague from Beauséjour insisted several times that the amendment to the Canadian Wheat Board Act was a voluntary initiative of these farmers who, by filling out a form specifically designed for this purpose, could opt out of contributing to the private research fund.

Officials from the Department of Agriculture estimate the participation rate at 90 per cent. I was, I admit, very surprised to hear that 90 per cent of them would agree to pay 40 cents a ton on barley and 20 cents a ton on wheat to set up a private research fund.

However, I would advise my colleague from Beauséjour, the Secretary of State, as well as the Minister of Agriculture and Agri–Food to be very vigilant because, although 90 per cent is a lot, 10 per cent of farmers will benefit from research and development but without paying for it. If participating farmers are pushed around, they will opt out. And if the participation rate drops to somewhere around 50 per cent, it will no longer make any sense for these farmers to contribute voluntarily.

At first glance, it would seem very inappropriate for the Bloc Quebecois to go against the will of producers, who wish to take control of their future. What they want is simple. They are prepared to take a part of their profits and invest it in wheat and barley breeding research.

• (1200)

This bill is necessary because it will allow the Canadian Wheat Board to make deductions from wheat and barley producers' final payment cheques for the explicit purpose of plant breeding research. The Minister of Agriculture tabled Bill C–50, an Act to amend the Canadian Wheat Board Act, because the Board does not currently have the right to make such deductions.

The check–off will be made on the payment at the time of delivery. The rate is currently set at 40 cents for one ton of barley and at 20 cents for one ton of wheat. These rates were arrived at by estimating research costs, in millions of dollars, and dividing the total by the number of tons bought. I was surprised to see that, although the bill only refers to wheat, the amendments will affect wheat and also automatically barley, because of the regulations. It seems that two distinct funds will be set up, one for wheat and one for barley.

The rates which I just mentioned will be fixed by the Governor in Council; they will not be specified in the act. That provision will allow certain classes of grain or certain provinces to be excluded. For example, Alberta will not participate in the check–off program for barley, since the Alberta Barley Commission already makes such deductions.

If necessary, the amount of the deduction will simply be changed by order in council. Again, I tell the minister and his parliamentary secretary that if they are too greedy and if they lower the government's contribution in order to force greater direct funding from agricultural producers, they might see a number of these farmers withdraw from the program.

Since the issue was raised when the member for Mackenzie tabled his amendment, I will state my position again. If the CWB starts competing with a province and jeopardizes its efforts, it would be preferable for that province to be able to opt out of this voluntary contribution program.

Based on the 90 per cent participation rate anticipated by the minister, the Board expects to collect $4.7 million, that is $3.8 million for wheat and $900,000 for barley. That money will be used to finance research on four basic aspects: wheat and barley breeding, as well as ways to improve acre yield. I may point out that finding a way to increase the yield per acre of wheat or barley by only one bushel would mean an additional $100 million earned.

As anyone in business will tell you, your profit is not on the first hot dog but on the last one you sell that day. Farmers know perfectly well that when they start taking the crop off a field, the first bushel does not pay but the last bushel is pure profit. The same applies to milk. The last cow you milked pays for that meal at a restaurant or a show on the weekend.

• (1205)

The third component would be to enhance the resistance of varieties to disease and parasites and the fourth, to find new varieties that are better able to meet new market demands.

There is still one question: Why is Agriculture and Agri–Food Canada's research budget unable to meet the needs of grain producers? Why? The government tells us that the budget for research is $18.7 million. In that case, why should producers pay for parallel research? Please do not misunderstand me. I think it is an excellent idea to encourage producers to take the initiative and go ahead with solutions which they know will be to their advantage.

However, the Department of Agriculture and Agri–Food should not use the private sector as a way to get out of its commitments or, even worse, let it run the show.

A few weeks ago, the Minister of Agriculture and Agri–Food tabled a bill that clarified his department's role, including its involvement in research and development. Despite this restructuring, Western grain producers will conclude that they have to pay twice to get the kind of research they need. We moved an amendment in order to solve that problem, and to avoid duplication between research made in centres which will get contracts and research being done by the Department of Agriculture.

Under this bill, the Canadian Wheat Board would distribute money received through deductions to research centres breeding new strains of wheat and improving existing ones.

Under our amendment, the agency would have had to make enquiries and determine that the information being sought by the research would not become available as a result of other similar research. We are just trying to avoid paying twice for the same research.

As taxpayers, producers already pour $18.7 million into research and development projects on wheat and barley. However, they will have to invest an additional $4.7 million to direct the research according to their own priorities.

The Department of Agriculture maintains that, with the research and development budget being eroded, it is important that the private sector takes over. Unfortunately, I am always afraid that, over the years, we will see the emergence of a certain mindset, and that the federal contribution to research and development activities will diminish while that of the producers will increase. This a real threat, and only time will tell if the Bloc Quebecois was right to be so concerned.

Research and development are key elements to our staying competitive on foreign markets, and it is no secret that in order to increase our exports, we will need to produce more at a lower cost.

• (1210)

It is important to encourage such initiatives. The private sector, that is the producers as well as the industrial entrepreneurs, must play a more active role if research and development activities are to increase. However, it is crucial that the government fulfil its mandate, by continuing to finance research and development on a fair basis. In this case, we are talking about subsidizing a private research organization.

This research agency is the Western Grains Research Foundation and it has already studied the issue. In the grain industry, there are some benefits to private funding for research projects which I would like to list. It meets specific needs identified by those who finance the research activities.

However, we must be careful so that the bigger producers do not get to control the research at the expense of smaller producers. Since voluntary contribution is based on the number of tons of wheat sold, the main producers will, of course, invest more. With the amendment we proposed, the Canadian Wheat Board would have had to check the research being done before awarding the contracts.

Then, if the research being conducted did not sufficiently meet the needs of small producers, the Canadian Wheat Board would have been able to do something about it, since it would have known what research it wanted to further. Also, the information remains confidential.

But whatever we say about it, the fact is that two elements can influence the choice made by grain producers. First, the budget allocated by the department for this purpose is not enough. Even though the department advocates new market opportunities, it does not provide the tools needed to access new markets. Second, the research and development projects on wheat and barley that the department is financing do not reflect the priorities of the industry. This goes to show that the needs of the industry are somewhat misunderstood.

Before I conclude, I want to say a few words about the amendments that were before the House yesterday afternoon. You see, a political party cannot pretend to know everything. Acting in a very fair manner, the Bloc Quebecois came up with two amendments to Bill C–50 in order to help farmers. My colleague for Vegreville also presented, on behalf of the Reform Party, two amendments that make a lot of sense and are very fair, and my colleague for Mackenzie also put forward an amendment to Bill C–50.

This morning, I watched very closely the results of the vote and, to my surprise, the government party, led by the minister, defeated all five amendments thanks to its majority. I admit that the opposition may sometimes move conflicting amendments that do not agree but, in this case at least, it seems to me that we found a very positive way to lend a hand to the government party, not to criticize but to improve its bill. It refused. It said no.

• (1215)

For example, we asked the minister to submit the report of the Canadian Wheat Board to us, the elected representatives, within 15 days following the day he receives it. This was a suggestion from my colleague for Vegreville. It seems to me that elected representatives like the hon. member for Frontenac, the hon. member for Vaudreuil and the hon. member for Vegreville should not have to wait six months before seeing this report. A fifteen days delay would have been reasonable. No. The government does not want restrictions or limits. Could it be that it has something to hide? Why did it refuse? The fact is it refused.

I will conclude by stressing how important it is to avoid duplication and overlap of research projects conducted by the department and by the private sector even if it is stated that research plans will be discussed between concerned stakeholders to avoid such a thing. It would seem that the projects funded will be complementary but, unfortunately, there is nothing to that effect in the law.

Again, I urge the Minister of Agriculture and Agri–Food to better protect the interests of the farmers across the country and especially in Quebec. You see, Bill C–50 will not be costly for the public purse. Bill C–49 neither, but it will not do a lot of good. All it did was to change the name of the department from the Department of Agriculture to the Department of Agriculture and Agri–Food.

I dream of the day when the Department of Agriculture will take concrete steps to make our farmers whose living depends on supply–managed products feel secure. Quebec farmers are a bit worried about the implementation of the GATT agreements on January 1, 1995, less than two months from now.

I was reading this morning a press release from the Department of Agriculture announcing the elimination of the surtax on beef imports from New Zealand and Australia. This 25 per cent surtax was abolished on October 7. In May, the minister had increased import quotas to 85,000 tons of beef carcasses from New Zealand and Australia.

And I was interested this fall in the sale of our young steers. I kept track of what was going on in Quebec, particularly in Sawyerville, Victoriaville, Princeville, Sainte–Marie de Beauce and Saint–Hyacinthe, and our producers were proud because, for once, we could sell our cull cows, that is our dairy cows that are no longer productive. These cull cows are sold for beef. The price was 60 to 62 cents a pound and up to 65 cents in some cases. Immediately after the minister announced the elimination of the 25 per cent surtax, the price dropped.

• (1220)

In the case of slaughter calves, they sold for $1.25, $1.30 and up to $1.35 at the beginning of September, but as soon as meat processors were informed of the elimination of the 25 per cent surtax, the price started to drop to a point where, today, Quebec producers sell their steers for about the same price as in 1980. Fourteen years later, the price per pound is the same while production costs continue to increase.

I was visiting a farm last week and the producer showed me a small plastic container that is used to milk cows. He told me that, on average, he breaks about two of these a year and that he has to be very careful. That small plastic container looks like a plain drinking glass. He showed it to me and asked: "How much do you think this plastic container costs, Jean–Guy?" Obviously, I gave a higher figure than what seemed a fair price: "Seven or eight dollars". That was not it. The salesman from Laval was there. The farmer said: "It is not $7 or $8. You know, farmers are used to that. Spare parts are always very expensive". The real cost, as indicated on the bill, was $45.

I told him: "The day you break that small plastic container, Laurent, you would be better not to get out of bed, because with that mishap, your profit for the day is gone". He agreed. The same thing is true for tractors and farm machinery. It is always amazing. Input and operating costs keep going up, but there has been no increase in beef prices over the last 14 years.

The Minister of Agriculture is trying to justify the reduction and elimination of the 25 per cent tariff on beef imports from New Zealand and Australia. In conclusion, I fear that, once the GATT agreement is in force and tariffication applies, as is the case with negotiations with our neighbours— Tariffs have been set at a very high level, I agree, and they will deter imports, but let us take cheese, for example.

Right now the tariff on cheese in 287 per cent under the GATT agreement that should normally come into force on January 1. If we prove to the Minister of Agriculture there is not enough cheddar cheese in Canada, he will order a lowering of the tariff from 287 to 100 or even 40 per cent or he will simply do as he did for the New Zealand beef and will abolish it altogether.

That is a real concern. I said earlier I was looking forward to the day when the Minister of Agriculture will rise in this House and change the legislation in order to give a feeling of security to farmers. Nearly 85 per cent of all farmers in Canada have to work outside their farms to make ends meet. Only 15 per cent of the agricultural community can earn a living with farming.

We cannot say agriculture is sick, but we can certainly say it is not healthy. There is discontent, serious discontent, and it is undoubtedly one of the reasons why it is so difficult for farmers at retirement age to find someone, whether one of their children or someone else, to buy the farm at a fair price and to take over the business.

• (1225)

There are no new farmers to take over the business, and when you look at the way things are, when you look at the future with open eyes, you realize that maybe young people are right to wonder whether there is still a future on the farm.

I am one of those who believe there might be a future in farming, but our governments would have to take a stance and stick to it.

Just think about what happened as recently as last winter, when we negotiated with the United States for the export of durum wheat. We had a flush in our hands, we had everything we needed to win on that issue, but we lost. We just lost. Will it always be like this? In the course of negotiations, we give some, but we also win some.

In the case of the durum wheat, it was a perfect case. We lost it. In Quebec, our farming industry is based almost entirely on supply management. Quotas will disappear, after tariffs have been set at a rather high level. We hope that it will not be dramatically reduced year after year, because our Quebec farmers would be thrown on welfare or unemployment or onto the streets. We do not know exactly what will happen to quotas, but for many farmers they were their pension funds. I do not know what will happen six years down the road, when the value of quotas will be virtually down to zero.

All this to tell you that the Bloc Quebecois, despite the flaws in Bill C–50, will vote for it, because that is what farmers want. They are the ones who demanded it. Of course, the bill is not perfect. But, between asking for perfection and voting against it, the Bloc Quebecois has chosen to support it, even if it means amending it next year, because with time, we will see what goes wrong with Bill C–50.

[*English*]

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, I am pleased today to be speaking on Bill C–50, a bill to amend the Canadian Wheat Board Act. In my presentation today I will talk about the bill itself, what is in the bill. I will talk a bit about the improvements that should have been made to the bill, some of the amendments that were put forward but unfortunately were not made. I will talk about the missed opportunity at a time when the Canadian Wheat Board Act has been opened up to change and the real missed opportunity because there were not more substantial changes made to the bill.

I will start today by talking about the bill itself, Bill C–50, the bill to amend the Canadian Wheat Board Act. The purpose of the bill is to amend the Canadian Wheat Board by allowing refundable check offs on wheat and barley on sales of wheat and barley to the board.

This refundable check off is to be used for plant breeding research. I will summarize some of the provisions of the bill. The bill would allow for deductions from the farmer's final payment checks for each pool period, unless the farmer filed each year to the Canadian Wheat Board to be exempted from the refundable check off, from the deduction. The bill places this revenue in a fund with the Canadian Wheat Board which will be distributed to the Western Grains Research Foundation.

The Canadian Wheat Board must estimate how much money it will take from farmers per tonne for the grain to provide the $4.7 million it wants to raise from this bill for research, again funding that will be directed to the Western Grains Research Foundation.

• (1230)

The research funding agency would distribute the money to people or organizations for research based on what the board of directors for the foundation determined.

There will be an additional reserve account set up which will put money into a special fund, a contingency fund intended to cover shortfalls from any particular year, shortfalls in funding, in case of a higher opt out rate or poor production on the prairies or just lower shipment levels through the Canadian Wheat Board.

There is to be an annual report provided to the minister from the Western Grains Research Foundation each year and under the present provisions of the bill, the bill that we are going to vote on, this report must be presented by the minister within six months. One of the amendments I will talk about later states this report should be made public more quickly and the report should be made public as soon as it is presented to the minister from the foundation.

In terms of the rationale behind the bill, the purpose for the bill, it is assumed that the benefits will be accrued to farmers for the following reasons. It will give farmers a role in supporting and directing research into new varieties of wheat and barley. It will link more closely the wishes of the agriculture industry, in particular farmers but others as well. It will give them more responsibility in directing where the research funding goes. I think this is an important part of this bill.

It will provide $4.7 million of additional research for development of new varieties of wheat and barley, varieties which will be grown in western Canada.

It may improve the development of new marketing alternatives, new marketing opportunities through the development of better varieties that are more readily marketable. Hopefully it will improve farm income through increased returns to farmers and a higher profit margin to farmers.

That is the intent of the bill. Reform does support this bill. I support this bill and the Reform Party supports this bill for the following reasons. We believe that research does benefit farmers and we believe that research money collected through the Canadian Wheat Board presented to the Western Grains Research Foundation will benefit farmers. Not only do we believe that but many farm groups believe that and have supported this bill.

In talking to individual farmers in my constituency it seems that most individual farmers also support this refundable check off that will go to research.

There are some conditions put on this and really some hesitation on the part of farmers, I have found. They hesitate because the number of check offs on the sales of their commodities is increasing all the time and they are concerned that there are too many.

Farmers do recognize very well the importance of research. Farmers are willing to do their part in directly funding research. Farmers are also becoming concerned about the number of check offs, and this is another one.

I believe the support is there but it is becoming hesitant and I think with new check offs there will be strong resistance at some point.

This bill would have been improved substantially through amendments that were presented. I would like to speak briefly first about the second Bloc amendment, Motion No. 2. I believe the intent of that amendment was good. Reform did not support that amendment because the interpretation which we got from the legislation was unclear. Because of that we just found that we could not support the amendment.

I think the intent would have been to ensure that the Western Grains Research Foundation funding is not duplicated, is not already done somewhere in Canada or somewhere else. Overlap and duplication would have been prevented.

• (1235)

I think the intention of that motion was good but again, because of the way it fit into the legislation, we found that it was unclear. We were afraid that the Canadian Wheat Board would have been given the responsibility of making sure that money spent by the Western Grains Research Foundation was not on research already being done.

We were afraid—I was certainly concerned—that the Canadian Wheat Board would be given that responsibility. We do not want the wheat board to be involved in any way other than providing a convenient collecting mechanism.

Reform put forward two amendments to the bill, both of which I believe would have strengthened the bill. The first one was accountability. What we proposed is that the minister's report which he receives from Western Grains Research Foundation would be made public in a very short time through this House. I believe that accountability is needed. The hon. member for Malpeque on previous bills has pushed for a very similar type of accountability.

Our second motion was to simplify the process that farmers would go through to opt out of making their contributions to the wheat board and ultimately to the research foundation through this check off. What we proposed was adding one small box to the Canadian Wheat Board's permit application form which a farmer could check off if they wanted to opt out of the program for that year.

Some in the industry and some other members in this House opposed that method of opting out because they said that it is too easy to do. I am very concerned when government supports action whereby a bureaucracy interferes unnecessarily with decision making.

In other words, in this case the people who opposed our amendment to make this easy said let us make it more difficult for farmers to opt out through added bureaucracy. I believe that is morally wrong.

In too many places in our lives and especially in the lives of business people we have government interfering through the bureaucracy to make business more difficult to do. I am really quite upset that this motion was not supported, especially considering the reasons that were given for not supporting this motion.

I believe these two motions and the intent of the second motion would have substantially improved this bill but they did not pass.

What I would like to talk about now is the missed opportunity. The Canadian Wheat Board Act was opened. Why did we not make substantial changes to the act?

My colleague, the member for Moose Jaw—Lake Centre, and I went to a Canadian Wheat Board rally in Regina about two weeks ago. What did we see at this rally? Did we see a bunch of radical farmers out to destroy the Canadian Wheat Board, this body which has been a very important body in western Canada for marketing grains? No, that is not what we saw.

We saw very reasonable people speaking on changing the Canadian Wheat Board to improve it, to make it better for farmers. After all, this organization exists for farmers and it is funded by farmers. It is their organization. They wanted improvement.

I want to just talk about what a couple of speakers said at this rally in this regard. One gentleman talking about needed changes talked about how the Canadian Wheat Board was established in the first place. It was established originally in the 1930s. It disappeared and came back during the war under the War Measures Act as a monopoly.

That is when the wheat board first gained its monopoly power. It was in 1942 under the War Measures Act. It gained monopoly power so that Britain in particular could buy cheap food from Canadian farmers. Like so many pieces of legislation, instead of having a grandfather clause which would have the legislation end after a certain period of time it just continued.

• (1240)

Again I want to say that the Canadian Wheat Board has served a useful purpose. When the Canadian Wheat Board was set up we had a situation in the world first of all in western Canada in which farmers had a very poor communication system, very poor transportation and the grain buying companies were taking advantage of farmers because of the world they lived in, with poor information, poor transportation.

The Canadian Wheat Board, as did the wheat pool, served a very useful purpose in dealing with this problem. Back then we were dealing in a world where we had central desk buyers and central desk sellers. It worked well having a central desk seller selling to a central desk buyer. What wheat really was at that time was basically one commodity with a few different grades. This wheat board was marketing a fairly uniform commodity to a world that was not all that concerned with getting exactly a certain quality or a certain type of wheat. Under those conditions the wheat board worked well.

What has happened is that the marketplace has changed. The world has changed. Now we have farmers who have extremely good communication systems. We have wheat which is no longer just wheat but is dozens and dozens of different commodities.

Buyers buying wheat want a very specific product and we are looking at dozens of different products. Are we selling to central desk buyers any more? No, we are not. There are very few central desk buyers in the world so what we have now are mini–sellers because farmers want to become more active in selling. Grain companies servicing farmers want to become more active in selling outside of Canada as well. We have these mini–buyers and mini–sellers funnelling through the Canadian Wheat Board and the Canadian Wheat Board not selling to few buyers but selling to many buyers.

We have the wheat board now which has become a funnel which takes a product from mini–sellers and sells to mini–buyers and again it is not just wheat or barley. There are many different, very specific products that these buyers want. We live in a different world.

I believe that the Canadian Wheat Board still can serve a useful purpose and so did these farmers at the rally. They said they were not out to destroy the Canadian Wheat Board, they were out to improve it. They talked about a voluntary wheat board and I thought they presented their case for a voluntary wheat board as they called it very well.

There was one other farmer who really explained very well some of the problems we have with the board as it is. This story is going to sound really silly to anyone familiar with the grain industry but it is true. This farmer talked about his own situation. He had built a flour mill on his farm. He was processing flour, wheat, strictly from his farm. He was selling flour all across western Canada but he was selling specialty flour so he had to mill this flour from a very select type of wheat, his own wheat.

The problem is that to operate within the law he has to market his wheat through the Canadian Wheat Board to sell to his mill. It is absurd but it is true. Not only that, he would only be allowed to sell as much wheat as the quota levels would allow. In spite of the fact he is milling his own wheat in his own mill he would be restricted by a quota level. It is absurd but that is what has happened.

This story I believe demonstrates very well why we need to open the Canadian Wheat Board to change, to positive change, to changes that farmers support.

This rally in Regina would have been an excellent meeting for the minister to have attended as it was in the minister's riding in Regina. It was really unfortunate I think and the farmers felt really cheated that the minister was not there. They were very pleased to see us there. They saw MPs who do understand there is a need for change to the Canadian Wheat Board.

I want to ask a question of farmers and other small business people, managers, owners. Would a farmer or another small business person allow a government agency to come in and manage their farm? They own the farm and they fund it. How many small business people would allow a government agency to come in and manage their operations? I say very few.

• (1245)

The Canadian Wheat Board is owned by farmers, funded by farmers and is supposedly for farmers. Then why on earth is it managed by government appointed commissioners? That is exactly what is happening and it does not make any sense.

With regard to the Canadian Wheat Board, farmers want to be able to elect a board of directors. Recent polls have shown that over 90 per cent of western Canadian farmers want an elected board of directors to replace the government appointed commissioners. Does that sound so unreasonable?

The minister must act very quickly to allow for a farmer elected board of directors. After the farmers have elected the board of directors, the farmers should be allowed through referendum to determine what type of wheat board they want to serve them. They could choose to keep the board as is, which they certainly will not do from everything I have heard. They could choose to eliminate the board completely, which they certainly would not do from everything I have heard.

There is a new movement to completely eliminate the board. I do not believe it is a strong movement. I do not believe a majority of farmers support it. I believe the options that would be chosen are somewhere in between. The first option would be to open the wheat board to competition on a continental basis. A continental market in barley and wheat is the first realistic option.

The second realistic option would be to open the Canadian Wheat Board to competition anywhere in the world. More and more farmers are supporting this all the time.

Another possible option would be to open the board to competition but allow the Canadian Wheat Board only to buy in export positions. It would eliminate the interference that the Canadian Wheat Board has in our transportation system, car allocation system and grain marketing system. It would let it stay in place to do its job in the export market. I believe it could serve a useful role in that regard.

Let farmers decide that. It is not for me to decide. If they have another option that suits them, let them put the option forward to be voted on in a referendum. Let them choose the option they want.

I would like to ask a rhetorical question: Why is the minister so opposed to making the changes that farmers want? I am not going to try to say what his motives are for refusing this change.

I would like to end today with a story. It is a story about a farmer I know who is the anxious type. Some say he has an attitude problem. To relieve his anxiety, on Sunday mornings he goes out to his road. He calls it his road because he was the one who pushed to have it built and the one who pushed to have it paved. He likes to go to the end of his driveway and on to his road on his five–speed. On Sunday mornings the road is his. There is a curve down the road. He likes to get the car going about 100 before he gets to the curve and by the time he hits the curve have it up to 140. It makes him feel good; it relieves his anxiety.

One Sunday morning he went out on his road, started to accelerate, and what does he see around the bend? A car was coming down his road on Sunday morning. He was upset. He was more anxious than ever. He started down his road and the approaching car swerved. He said: "My God, a drunk on my road on Sunday morning". As the car got closer he saw that it was a lady driver. He said: "Oh my, a lady driver on my road on a

Sunday morning". As the car got closer, the lady stopped the car and opened her window. He slowed down but did not stop. As he went by he heard the lady shout "pig". He was really anxious then and said: "sow" and he went on. He was more anxious than ever and hit the curve at 120 and as he started to accelerate into the curve he hit the pig.

• (1250)

When that story was told to me it was to demonstrate how an attitude problem can interfere with the ability to change, but I am not so sure that is the only way to interpret the story.

I believe that pig in the way of that farmer is in fact government. The biggest interference farmers have with doing business is government. Certainly, if that pig is not government, that pig and other pigs are being dropped in front of farmers by government and are interfering with them doing business. I believe government must stop dropping these pigs in front of farmers and other business people.

In closing, we support Bill C–50, an act to amend the Canadian Wheat Board. We would have liked the bill amended, but I believe it is supported widely by farmers and I am looking forward to the legislation being enacted.

**Mr. Vic Althouse (Mackenzie, NDP):** Mr. Speaker, I am rising to speak at third reading of Bill C–50. I note several of the previous speakers have wandered considerably off the topic of the bill.

I want to make a quick allusion to the story we just heard concerning the man who presumed it was his road and all the problems he got into as a result of that false assumption. That is one of the basic problems of many people who are opposed to the wheat board and want what they call change. They too fall into the trap of making false assumptions about reality.

The man presumed that it was his road and that no one else should be on it on a Sunday morning. What they presume is that the wheat board is just another buyer, just another grain company in the market, when in fact it is marketing the grain for all growers in western Canada. Once they get their heads around that space it will begin to make a lot more sense. That is one of the difficulties of my friend from Vegreville and his colleagues.

The bill deals with how to finance plant breeding. It is a further proposal by government, following some proposals of the last government and some that were put forward in the Trudeau administration, to extract itself from publicly financed plant breeding. Publicly financed plant breeding has a long history in Canada, going back well over a hundred years. When John Wise was the minister of agriculture we celebrated a hundred years of plant breeding under the Department of Agriculture in Canada.

In my region of western Canada it was an extremely exciting initiative that was taken more than 100 years ago. Without the publicly sponsored plant breeding effort that occurred at the central research station in Ottawa and the varieties that were developed for early maturing hard spring wheat, my region would not have had a reason to exist in the world of agriculture.

The varieties that existed prior to that time were not suitable for my region with its relatively short growing season. The development of Marquis wheat attracted the population there and made it possible for it to be economically viable. It made agriculture on the prairies the bread basket of the world, according to publicity at the turn of the century. Of course we were never that big.

• (1255)

Many countries grow more wheat and more grain than does Canada, but few countries export as much of their production as we do. We export about 80 per cent of our production. None of the other countries are forced to do that because they have larger populations and consume it at home.

Because of this we developed the marketing institutions to which some of my friends in the House have been referring. Essentially we built on that success by continuing the publicly financed breeding program to get around diseases that came up, rust that developed and insects that developed over time. As the region continues to grow grains, some of these pests and hazards insert themselves into the land and into the environment. It is a constant struggle to change varieties so they will be resistant to insects, pests, rusts, fungi and so on.

I noticed the minister made reference to the fact that it was possible to get as much as a 15 per cent increase in yield due to plant breeding. It is on paper and it is in the test plot. However when we go on to the farms and start dealing with the exigencies of the overall environment and the climactic changes that occur over time, it requires a lot of other attendant improvements in agriculture to keep yields up. Some older varieties will still yield almost as well as the newer varieties by using the techniques available now.

The advantages have been better but have not been terribly dramatic. They have been incremental to the point of producing huge benefits when compared to the pittance invested in them. Any economic research on the cost and benefit of plant breeding shows that for every $1 put in there is as a conservative estimate a minimum of $7 to other estimates that run as high as $15 or $20. The payback is extremely high. In spite of that, previous governments, administrations and popular wisdom have it that government has to get out of plant breeding and there has been a constant cutting back of share of the department's investment in that area.

We have not kept up publicly financed plant breeding and because we have not done so government has come up with various ways of assuaging its conscience about it. During the late seventies and early eighties they talked about plant

breeders' rights. The last government finally implemented plant breeders' rights. That has paid the developers of new varieties for their cost and trouble by virtue of giving them what amounts to a patent to extract a fee from anyone who uses their varieties of seed during the next 15 years.

On top of that we have the bill before us proposing to extract what some people call a voluntary payment and what others call a refundable payment from each tonne of grain sold in the wheat board region through the wheat board. The act does not say so, but the government indicates its intention is to extract $20 per tonne on all wheats and $40 per tonne on all barleys from the final payment paid out in January, following the closing of the previous crop year's pool. Producers would have the option before the end of February to inform the board that they wanted their deductions sent to them rather than to the research foundation if they disapproved of the activities of the research foundation.

It is difficult to oppose a proposal that permits individuals to make up their own minds on whether they want to submit payments to such a scheme.

• (1300)

I want to make it quite clear to the House that what we are doing here as governments, as politicians, as ministries of agriculture, is layering one more cost on to farmers that was not there 20 years ago. Farmers are now financing plant breeders, first as taxpayers through public financing albeit not quite as adequate as it could be because of government cutbacks. We are asked to finance plant breeding through the payments under plant breeders' rights for the use of the newly developed seeds. Now we are being asked to finance plant breeding a third way by a check off on our sales of wheat and barley through the Canadian Wheat Board.

I think that we have a right to ask how many more times we have to keep up this financing. The clear beneficiaries of this increased productivity are the consumers of the product. My friend from Frontenac indicated that it is the last bushels that create the profit, and that is true, but it is those last bushels that are used to depress the price. As we increase our production the supply is increased and the price for all of the production begins to fall.

The beneficiary of this increased production is always the consumers. They have been getting cheaper and cheaper food. The cost of groceries and basic foods that go into the groceries has been falling all through this century.

That has not been the case for a whole lot of other commodities and things that we use. Even housing has gone up in that period of time. With regard to transport, I hark back to just 15 or 20 years ago in making comparisons since today at the agriculture committee we were talking about cattle prices. In 1977 I remember buying a new car. It cost me I think seven 800–pound steers to buy a brand new car. It was a full size car, had everything going for it. Today that car would take something in the order of 25 or 30 800–pound steers.

We were being told in the committee that cattle prices had held up pretty well. They certainly have, have they not?

The technology for cars has changed somewhat. I saw an article in the press recently which said that because of demands from government for environmental improvements to the emission controls and other requirements by government, the cost of a car is now about $4,500 more than in 1977. This was for all the technical improvements. If everything else were equal the car would be about half the price that it is now.

When I look at what labour received out of that car between 1977 and today, it gets about the same amount of money. The input in hours has dropped dramatically but labour gets about the same amount of money. Somewhere there has been a doubling of the real price of that car and the beef has dropped in what it will really buy to about a third. It has dropped two–thirds. Eight would buy a car and now it takes 25.

I just present that to show that consumers have taken real advantage of the productivity of agriculture. I do not see the rationale for farmers to continue to have to pay a bigger and bigger chunk of the research to make productivity gains that consumers are going to benefit from.

I think there will be a great deal of angst among farmers when they see the amount of deduction that there will be on their final payment cheques after January 1996.

• (1305)

A lot of them will have to think long and hard whether they want to have their research deduction returned to them or go into the research group. One of the things that will be a factor for farmers in Saskatchewan and Manitoba at least will be the fairness of the extraction process.

Members will know from the debate yesterday that there has been a special dispensation granted to Alberta and some B.C. producers because they have a different form of deduction already in place. Their deduction is for research in general. It is not for plant breeding research specifically.

All the funds from this deduction will go into developing new plant varieties. We are told that perhaps 2 per cent will be used for administration purposes. The rest will be transferred directly for scientific work on developing new plant varieties.

We know from the public annual statement on the Alberta check off for instance that much less than 50 per cent of the funds collected are even allocated to research and there is no distinction made as to whether the research is economic research, marketing research or actual plant development research.

We have one set of oranges and one set of apples coming in for these deductions. Yet the government refused to make a change yesterday and so did the established parties in the House. They did not see any problem with this. They seem to be quite happy that Manitoba and Saskatchewan producers will pay 20 cents a tonne for plant breeding research. Alberta producers will pay an unspecified amount for research. They will pay the 20 cents for wheat but not for barley research.

We will be paying 40 cents. What will they be paying? Nobody seems to know. As long as that stays very fuzzy, there will be a lot of people saying: "Why should I contribute? If Alberta farmers are going to be getting the same benefits from those new plants as I am, why can they not pay the same amount?" We were trying to have that dichotomy straightened out in the act. Yet the government refused to take any action on it.

One of the problems that this federal government always has is a problem of treating people in each region the same within the region. I would argue that it failed this test miserably yesterday when it proposed to continue with this bill.

I find it very difficult to see why we should be pushing for support for this bill. I find it very difficult to go out and tell my producers that this is a good bill for them when I see that we are simply taking step three as a way of continuing to back off public responsibility for plant breeding and put it on to the hands of producers.

It is really a form of government offloading on to producers. It becomes a form of additional directed taxation that is a bad precedent to begin with. I have great difficulty supporting the whole concept that has been put forward in this bill.

It is laying out a system that is inequitable. It is treating some farmers different than other farmers who live in the same region and who will all benefit the same from the research. It is putting what amounts to a third tax on producers who have some interest in upgrading the genetic material that they work with.

It is also true that the final consumer is the one who reaps all the benefit from that new research. I find it very difficult to justify making an additional charge to the producer in those instances.

• (1310)

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I am pleased to speak on third reading of Bill C–50, legislation that will produce a voluntary producer levy or check off program for plant breeding research.

I have a number of comments to make today, some of which are based on the bill before us, some of which are based on the debate that we had yesterday in this Chamber specific to report stage of the bill and as well some comments about the Canadian Wheat Board which I believe is central to this debate and is crucial to the future of agriculture in this country.

First I would like to address the specifics of the bill which are before us for third reading today. Essentially, as we have heard in this Chamber already, the federal government has launched an agriculture initiative, depending on how we want to look at it, either as a tax grab from farmers or an opportunity for farmers to participate financially in the development of new grains research.

The new legislation proposed here sets out what is called a voluntary producer levy or check off program to support plant breeding research programs for wheat and barley.

As the minister of agriculture indicated in the Chamber during his comments at second reading, if passed the legislation would call for the first collection of this levy to take place in January 1995.

The idea of the check off is not a new one. It is already in practise for beef and hog producers and as a concept has been endorsed by many of western Canada's grain organizations. This is however the first time that a check off has been applied across the board for wheat and barley production.

According to the minister of agriculture there is general agreement for this idea among producers. The agreement is on principle more than it is on practice. While this bill sets out a particular practice we as members of Parliament are called upon to examine how that practice will be implemented and what it means rather than on the general principle.

Here is how the bill is supposed to work. Western producers of wheat and barley will pay levies of 20 cents per tonne of wheat and 40 cents per tonne of barley delivered during the crop year. The first levies will be deducted from the Canadian Wheat Board final payments beginning with those for the 1993–94 crop year. Those final payments in the ordinary course of events for 1993–94 would be made in January 1995.

Based on projected deliveries the check off is expected to bring in, according to the minister of agriculture, an estimated $4.7 million for additional research. That research would be co–ordinated by the Western Grains Research Foundation, a

federally chartered public organization that has been co–ordinating research in this field for the past 10 years.

Under the terms of the new legislation the foundation would be accountable to producers by having to report annually to all prairie permit book holders, by giving an accounting of the money received and how it has been used to accomplish its research goals.

The new program is not intended to duplicate or replace current check off programs already in place in some provinces and, as has been mentioned numerous times in the Chamber over the last two days, certain Alberta grain producers will be exempt from the levy.

I think it is worth repeating what was said yesterday. The check off in Alberta is somewhat different than the check off being proposed nationally. If one were to compare the reasons for bringing in the legislation as it is today and apply it to the implementation of the goods and services tax from a few years ago, the implication would be that any province with a pre–existing tax would be exempt from the GST and those that had no pre–existing tax would be levied the GST.

• (1315)

In that case if the same principle were applied in 1990 as the one that is being applied here on the check off in 1994 only the province of Alberta would be subjected to this federal levy and the other provinces would be provided with an exemption. It is an interesting scenario to say the least.

The program as proposed in Bill C–50 is also voluntary so that producers who choose not to participate may opt out if that is their preference. Any producer wanting to opt out may do so on an annual basis simply by putting that request in writing.

In introducing the legislation the agriculture minister says he expects 90 per cent of western grain farmers to participate in the program but he gives us no indication at all on how he has calculated that figure.

There has been as fair amount of criticism in the House over the last couple of days about the program. For those who have reviewed its components and have not liked what they have seen in the specifics of the bill, the arguments focus somewhat on the fact that plant breeding research in Canada has always been publicly funded. The new legislation simply gives the federal government an opportunity to withdraw from providing adequate funding, perhaps some time in the future, because they will say the producers themselves are being taxed through the levy for the necessary funding.

Of course the minister of agriculture in his opening remarks denied that this would happen but there is certainly no protection in the existing funding in the legislation to guarantee the federal government's commitment to publicly funded research. Therefore, without that type of legislative guarantee it is difficult to accept the word of the minister.

At the same time if farmers opt out in numbers greater than the 10 per cent the minister has already calculated the financing pool will be diminished. Actually it will be uncertain from year to year because the financing pool will have to be calculated only on the amount of money that is collected and if farmers can opt out on an annual basis it will be difficult to calculate the entire financing pool on an ongoing basis.

Therefore the research institutions commissioned to do the research will not know from year to year what level of funding they will be able to receive. There is also the unfairness that some producers will pay for the support of research and want to contribute to it but all producers will benefit from that research whether or not they paid into it in the first place.

This alludes to the exemption provided to certain Alberta producers who will get the benefit from the research even though they do not pay into it.

The other argument is on the accountability of the process. It is acknowledged that the foundation must report on how it is spending the money for research but if producers disagree for any reason there is no mechanism in place for them to appeal those spending decisions and it is always after the horse has left the barn, after the door has been closed. You can only comment, perhaps publicly, and not direct or influence the way those decisions will be made. Therefore true accountability does not exist.

As the member for Mackenzie mentioned a few moments ago there is an important concept here that every member of the House and all producers in Canada must keep in mind and that is the principle of research into grains production is an important public policy matter and as such we should do whatever we can to ensure that there is as much public funding and public accountability in the process as possible.

Yesterday I indicated during report stage debate in what became in a sense a conversation with the minister of agriculture that the importance of the Canadian Wheat Board has never been more in question among Canadians. We are hearing in the news a considerable amount of discussion about the future of agriculture and the future of the Canadian Wheat Board because a number of producers in Canada, particularly producers near the American border, have been expressing discontent with the marketing practices of the Canadian Wheat Board.

• (1320)

I think it is important during this debate about amendments to the Canadian Wheat Board Act that we do keep in mind how important the Canadian Wheat Board is and the role that this Chamber and the minister of agriculture must play in providing some support for the Canadian Wheat Board, the organization that we as producers and as members of Parliament have created in order to assist in the sale of all Canadian wheat and barley. Perhaps, as I suggested yesterday, we should as well be

considering changes that would allow for marketing of oats and canola and perhaps even some other grains in Canada.

Yesterday the minister of agriculture responded to one of my concerns by saying that he did not want to engage in a broader debate about the Canadian Wheat Board. Then he qualified his statement by saying, and I quote from *Hansard* of yesterday at page 7579, pertaining to a broader discussion about the wheat board:

> The fact that I do not happen to mention some of those other things should not be taken as any kind of disinterest in the subject matter. I am simply holding my fire.

He is simply holding his fire. I wonder how long he intends to do that. How long does the minister intend to remain silent about his personal commitment and the commitment of this government to the Canadian Wheat Board?

I say that because just the other day the Canadian Wheat Board in an unusual statement came forward to defend itself in the face of some of the attacks. I quote the information officer of the Canadian Wheat Board, Miss Deanna Allen: "The board is under personal attack. If others are rallying farmers to rethink what they have, then let them think on accurate information".

The Canadian Wheat Board is arguing that those who are calling for dual marketing in Canada are doing so not with accurate information. If the minister of agriculture has information like the Canadian Wheat Board has which can add to the debate, I think it is very important that the minister not hold his fire in this regard but rather engage in the debate and bring forward not only the information but the opinions that are needed to support the strong Canadian Wheat Board in its work.

I will quote from the Canadian Wheat Board's defence of its activities in its releases from last week. Mr. Richard Klassen is the board commissioner with the Canadian Wheat Board. Mr. Klassen says in response to the U.S. market:

> "The U.S. is a premium market. It is one of the few premium priced markets left in the world. It offers a high return because it is unaffected by the price discounting subsidies imposed by the U.S. and the European Union. U.S. customers are also usually willing to pay a premium for Canadian wheat because of its high quality".
>
> The down side is that market is not large enough to accept all of the 24 million tonnes of wheat and barley that western Canadian farmers want to export. The board as a result must sell into other markets that do not offer as high a return. The prices from these sales are what lower the overall return to farmers.
>
> "The question is really who should receive the commercial premium often available in the U.S. Should these premiums go to individual farmers or grain companies who access the U.S. directly, or should those premiums be shared among all grain growers in western Canada?".

The answer is through the Canadian Wheat Board all western Canadian farmers benefit from the premium market, whether it is in the United States this year and next year or whether it is in Japan or China or Europe or Saudi Arabia in the future.

• (1325)

I also want to indicate that I found the comments of the minister of agriculture the other day quoted in the Regina *Leader–Post* of October 27. The headline on the newspaper article was "Goodale is determined". The agriculture minister said "Canada has a historic right to duty free access into Europe for a million tonnes of high quality wheat and almost a million tonnes of barley".

The minister of agriculture is wanting to have a stronger Canadian presence in Europe and is willing to fight for it. That market in Europe will not be accessible without a strong Canadian Wheat Board. If the minister of agriculture is anxious to fight for Canadian markets in Europe, he should be willing to fight for the Canadian marketing arm that gives us that access here in Canada.

Those concerns of mine are shared by numerous constituents of mine, all of my constituents who have phoned me recently. One of my constituents was fortunate enough to be at a meeting organized by the National Farmers' Union in the United States just a couple of weeks ago, Mr. John Clair from Radisson, Saskatchewan, also a member of the Canadian Wheat Board advisory committee; a committee that I would strongly advise the government take a look at and see if it cannot turn that into more of a board of directors than an advisory committee so that the elected wishes of the producers are more influential in the decision making of the Canadian Wheat Board.

Mr. John Clair was at a meeting in the United States, a meeting that involved a number of farmers in Glendive, Montana. Mr. Clair says that he is more convinced than ever after that meeting that the Canadian Wheat Board should be left intact and keep its export monopoly.

Quoting Mr. John Clair recently in an issue of the *Western Producer* from October 20, Mr. Clair says: "They"—meaning the Americans—"said if there was a dual marketing situation in Canada, they would push to have the border closed immediately".

In other words, if Canadian farmers are given the opportunity by the Canadian government to just cross the border unimpeded with every truck load of grain that they can, the Americans as they have on so many other trade issues would immediately retaliate and close the border to all Canadian grain.

That means any premium market that was accessible by the Canadian Wheat Board or any farmer immediately closed and

there would be no access to those premium dollars to any Canadian farmer whether we can sell into that market or not.

Mr. Clair also mentioned that the people he talked to looked at the dual marketing supporters in Canada as quite naive about their circumstances and even our own. Again I quote Mr. Clair: "They seem to assume it is just a great big pit we can drop wheat into". In other words, the American market is just there for all the wheat that we can put into it.

Mr. Clair says in a tremendous year, we can sell maybe 10 per cent of our crop to the United States. That means 90 per cent has to go some place else. There is nothing more true than that statement.

I remind the minister of agriculture and the government that in the agriculture supplement to the red book they made a very strong commitment to the financial security of Canadian farm families, a commitment that extends to the value of the Canadian Wheat Board.

Basically the comment from the red book is that Canada's agri–food industry needs policies and programs such as supply management, the Canadian Wheat Board and stabilization to minimize the impact of market price fluctuations.

On this day I call on the minister of agriculture and the government to, as they have with everything else in this place, stick to the commitment of the red book and maintain policies such as the Canadian Wheat Board to minimize the impact of marketplace price fluctuations on Canadian farmers.

• (1330)

[*Translation*]

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question!

**The Deputy Speaker:** Is it the pleasure of the House to adopt the said motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the yeas have it.

**Some hon. members:** On division.

(Motion agreed to, bill read the third time and passed.)

* * *

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from November 1, consideration of the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be now read the second time and referred to a committee.

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, these past few weeks, the government has been repeating that it is acting in good faith, claiming it wants to negotiate with the provinces and maintain a partnership relationship with them instead of a paternalistic and dominating one. It never fails however to attack insidiously the government of Quebec for its alleged bad faith.

Today, the Liberals give yet more proof of the fact that bad faith does not lie where they would have us believe it does and that this government, like the ones before it, never had any real intention of considering Quebec as a full–fledged partner.

In introducing Bill C–53 to establish the Department of Canadian Heritage, the Liberal government has reached new heights in denying the existence of provincial jurisdictions and, what is worse, in denying the very existence of the Quebec people. Not content with infringing repeatedly upon provincial jurisdictions—culture, education and language in particular—the federal government has managed to violate the most fundamental element of Quebec's specificity as a society, namely its culture.

As described in 1993 in an administrative document, the mandate of the Department of Canadian Heritage is quite explicit: to create a deep sense of identity and feeling of belonging based on bilingualism and multiculturalism.

In order to achieve this, the department will rely only on programs that, according to the aforementioned document, contribute to a very strong sense of identity among Canadians. By emphasizing the Canadian identity and disregarding Quebec's identity and its distinct character, the Department of Canadian Heritage becomes, as far as Quebecers are concerned, a vehicle for promoting Canadian unity.

In this connection, furthermore, we know that the minister will not hesitate to use all the tools at his disposal, at the risk of shamelessly using the public press.

As proof, we have the words of his leader, spoken last June 16, and I quote: "—there is a law governing the operation of the CBC, and I will ask that the CBC respect that law. The law says, in defining the mandate of the CBC, that it must inform people on the advantages Canada presents".

I would like to take this opportunity to look at just how little regard the government has for Quebec's special character and its historic claims.

The economic, cultural and social contribution made by immigrants to the development of society in Quebec and in Canada is undeniable. But an indiscriminate policy on the part of the Canadian government could do serious harm to Quebec society. It is essential that a policy of integration does not end up diluting Quebec's identity beyond recognition. In Quebec, any diversification of the social fabric must take into account the French character of our community.

For these reasons, Quebec and interested provinces must be allowed to participate in the development of a multiculturalism policy.

Besides, the Act to establish the Department of Canadian Heritage makes the minister responsible for "the advancement of the equality of status and use of English and French and the enhancement and development of the English and French linguistic minority communities in Canada". Since the bilingualism policy is seen as a failure by the majority of Canadians, and a simple review of press reports across Canada is enough to convince us that the situation of francophones outside Quebec is far from getting better—which is not saying much when we know that the future of some French–speaking communities is actually threatened—, we can once again question the Canadian government's good will and ability to act.

• (1335)

The unfortunate matter of the closure of the military college in Saint–Jean and the procrastination surrounding the French school in Kingston, combined with the fact that the influence of the minister now in charge of bilingualism with his Cabinet colleagues is very questionable, do nothing to reassure minority rights organizations and those who have been waiting so many years for the Canadian government to honour the commitment to a just society made during the Trudeau era.

From another perspective, we would have thought that, by giving the Minister of Canadian Heritage various responsibilities formerly within the purview of several departments, the government tried to save money. But it is clearly not the case.

The federal government's tactic is well known. First, it consolidates its presence by using its spending power in an area of jurisdiction of special importance to Quebec; then it denies the distinctiveness of Quebec culture; finally, it promotes a hypothetical cultural identity across Canada.

Furthermore, like every time the federal government gets involved in areas of exclusive provincial jurisdiction, duplication increases and becomes institutionalized. The Conseil des arts et des lettres and the Canada Council, the Grand Théâtre, the Place des Arts and the National Arts Centre, the national libraries of Quebec and Canada are cases in point. Yet, even under the Liberals, Quebec has always demanded full control of its cultural resources and an end to the federal government's repeated interference.

In that regard, former Quebec Minister of Culture Liza Frulla, who can certainly not be accused of having sovereignist motives, said: "Real dialogue is almost non–existent and when it does occur, it is more often than not at Quebec's request. Since Quebec is often presented with a fait accompli, it has to react after the fact to make its real needs known".

Culture comes from people, artists and creators. It does not come from the government. The role of a government is to accept culture for what it is and to help promote and develop that culture. The government which should play a role to that end must necessarily be the one closest to the realities of people, the one which best understand their needs, priorities and values.

The federal government, which is bent on creating and promoting a Canadian culture, is certainly the one in the best position to fulfill that role. Sure, it does have important, albeit artificial, financial means, but more often than not its priorities conflict with those of the artists and the Quebec government, which is in the best position to understand the needs of these artists.

Quebec's Union des artistes could not have been clearer on that issue: "—when Ottawa comes to Quebec with its own priorities, its objectives do not always agree with those of the Quebec government. That situation not only creates overlapping: It also creates a shock. This is what paralyses everything".

We must also look at the issue of copyright and the unacceptable sharing of responsibilities between the Minister of Industry and the Minister of Canadian Heritage.

In recent months, I have received dozens of letters from various organizations representing producers and creators and denouncing the uncertainty with which these people have to put up daily. They are not only concerned by the government's slowness regarding the copyright issue, but also by the rightist approach being perpetuated by the current Liberal government, at the structural level, in giving the Department of Industry, through Bill C–46, judicial and administrative responsibility over the Copyright Act.

Composers, authors, artists, performers and producers worked hard to obtain a right allowing them to get something out of their work. The copyright system advocated by major industries, and also by the Minister of Industry, would jeopardize the chances of creative artists to see their economic conditions improve for good. Moreover, Quebec authors, who deal first

with Europe and not the United States, would certainly not find satisfaction in a system patterned on the American model.

The basic issue remains the fact that we are faced with an informally shared responsibility between two departments, which unduly delays the tabling of the act on the second phase of the copyright reform.

• (1340)

We are witnessing a sterile confrontation, opposing the view of the Minister of Industry, who would rather conform to the line of American trade policies, and that of the Minister of Canadian Heritage, who favours the copyright and neighbouring rights system. Meanwhile, our creative artists and performers are stuck between a Department of Canadian Heritage with no real authority, but is theoretically supposed to be looking out for them, and a Department of Industry with little concern for their problems.

The situation has been particularly bad these past few days, since the Minister of Canadian Heritage has been suffering from a chronic lack of credibility with the people as well as his colleagues, after making several unforgivable errors of judgement that were recently brought to the attention of this House.

It is therefore imperative that Bill C–53 be amended so as to make explicit the responsibility of the heritage minister regarding copyright and, in this respect, that the bill be introduced by the Minister of Canadian Heritage himself. Not only is Bill C–53 visibly flawed, but it is further evidence of this government's insensitivity to or even contempt for the distinctiveness and specificity of Quebec, which accounts for at least 25 per cent of the total population of Canada.

That is why I support the motion put forth by my hon. colleague from Rimouski–Témiscouata. I therefore ask that the bill be withdrawn and the subject matter referred to the Standing Committee on Canadian Heritage.

[*English*]

**Mr. Janko Peric (Cambridge, Lib.):** Mr. Speaker, I am very pleased to be able to share with you today my views on Bill C–53, the bill to create the Department of Canadian Heritage. The proposed legislation is a technical measure that gives official recognition to the departmental structure and division of responsibilities that was adopted when the government took office.

As most members know the department has been functioning well now for more than a year and a half. The passage of this bill is a necessary legal step and will substantiate the areas of jurisdiction within which the Minister of Canadian Heritage will exercise his powers and carry out his duties and functions.

The Department of Canadian Heritage brings together components from five former or existing federal departments, namely environment, communications, secretary of state, national health and welfare, and multiculturalism and citizenship. This fact alone allows you to imagine the abundant variety of programs that can be found within this department.

The legislation reflects the breadth of the department's mandate which includes responsibilities in areas such as cultural development, multiculturalism, official languages, heritage conservation, national parks, national historic sites, and amateur sports.

Moreover, the policies and programs of the Department of Canadian Heritage are designated to promote increased understanding of our diversity, the involvement of all citizens in Canadian society and awareness of our cultural and natural wealth. In other words, the department is active in those areas that are linked to our identity as Canadians.

One of the most visible programs administered by Canadian heritage is Parks Canada which is also one of the department's three principal sectors. Many Canadians and for that matter many tourists who visit Canada have taken advantage of the opportunity to experience the magnificence and unique natural beauty of the country's system of natural parks, natural historic sites and historic canals. As steward of these unrivalled examples of our natural and cultural heritage it is Parks Canada's duty to ensure their protection and interpretation on behalf of all Canadians.

Parks Canada has a strong and respected presence in every region of the country. It contributes in a significant way both directly and indirectly to the local economies of communities all across Canada through expenditures on its own operations and through the tourism and economic benefits generated as a result of those activities.

• (1345)

The second major sector of the department that I would like to mention encompasses those programs aimed at the promotion of Canadian identity and civic participation. As one would expect with such a broadly based mandate this sector includes an impressive variety of program areas.

Some of the government's most important initiatives are being implemented in this sector. These include the promotion of official languages, the pursuit of excellence in amateur sports, the promotion of our cultural diversity and encouragement of the full and open participation of every Canadian in society, the promotion of greater understanding of human rights, fundamental freedoms and related values, as well as multiculturalism.

All Canadians must feel a sense of belonging to this country. Multiculturalism seeks to bridge the gap between cultural communities with diverse interests and backgrounds. Within this sector are the programs that speak to us regarding what it means to be Canadian, that set us apart from the rest of the world

and that have helped Canada earn its top ranking by the United Nations for overall quality of life.

Last but not least, the other key sector that will occupy the time of the minister is concerned with the growth and development of Canada's cultural sector. This area has never been more important than it is now, given the significance of its contribution to the Canadian economy.

Some maintain that culture is first and foremost a way of looking at the world and a symbol of our civilization. It is through this unique perspective of the world that we are able to distinguish ourselves from others. Culture therefore with the traditions and values it encompasses is what gives us our identity.

Most members will agree that the federal government responsibility in cultural matters extends to those areas that are pan–Canadian, interprovincial and international in scope. Federal activities in this area remain complementary to those of the other levels of government. It is vital that there be many agents of cultural development and for governments to play an active role.

The federal government's key objective in this area is to ensure that Canada's artists, creators and cultural industries are provided with the support they need to create and distribute cultural products and that Canadians have access to these important examples of cultural expression.

Culture is the very essence of the national identity, the foundation of national sovereignty and national pride. In a world where globalization and the information and communications revolution are bypassing national borders, Canada needs to commit itself more than ever to cultural development.

To summarize it is clear that the programs and policies of the Department of Canadian Heritage span Canada's past, present and future. The department can be regarded as the flagship of Canadian identity, bringing together a mosaic of federal programs that will help to confront and surmount the challenges that lie ahead.

I fully support the passage of this legislation and look forward to the official recognition of the Department of Canadian Heritage, so help us God.

• (1350)

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, I am pleased to rise in this debate to address the amendment by my colleagues from the Bloc. Of course this debate deals with the department of culture, the Department of Canadian Heritage. Certainly some questions have been asked of the accountability and responsibility of that whole department very recently.

Those are the types of things we need to discuss because if the credibility is not there, if there is no sense of total ministerial accountability and responsibility, then what does the legislation really matter? What does the name of the department really matter? As you well know, Mr. Speaker, probably very little. If someone stands as the Prime Minister has for days and days and says: "I am totally responsible", then we want to see that responsibility. We do not want them just to say it, we want to see it.

As I address this amendment and the whole issue of this entire department I would like to call into question, sad to say but necessary to do, the need to look at some of the things that have happened in this department. Then we must ask: Can it even go on as such?

Should there be a department of multiculturalism in this country? When people come to Canada do they feel they should really be part of Canada, or should they be hunkered off in their own areas, getting government money to continue the way of life they so freely left to come to Canada? One certainly wonders about that. When there is a minister who we certainly need to ask questions about, it is important that we look at the whole scope of the entire matter.

Let us look at the chronology of incidents that have happened over the last several months. On March 15, 1994 this whole department was called into question when the minister wrote to Keith Spicer, the chairman of the CRTC, asking that it give "due consideration" to the application submitted by Konstantinos Daniilidis for a Greek language radio program licence. CRTC itself stamped the letter "intervention". The CRTC knows what an intervention is; perhaps this government does not but the CRTC does. Keith Spicer knows very clearly what an intervention is, or an interference if you will, by a minister.

Two weeks later on March 29, 1994, the secretary general of the CRTC, Allan Darling, responded to the minister by thanking him "for his letter of support". He knows what a letter of support is. That confirmed the CRTC considered it an intervention. The minister did not respond to this letter.

On September 20, months and months down the road, Mr. Mike Pattichis writes to the minister expressing concern about support for the Daniilidis application. He knew about it. The letter was never made public.

Ten days later on September 30 the Canadian heritage minister writes to Mr. Pattichis to clarify that his March 15 letter was not in fact intended to convey support, certainly not. It was just carbon copied to the CRTC. It was a six month delay in responding to clarify the issue. The letter arrived too late to be considered by the CRTC. The file regarding Daniilidis had already been closed. In other words: "Thank you. Appreciate that but you are out of time, you are out of luck". Therefore, the CRTC was clearly under the impression that there was ministerial support for this the entire way through.

On October 1, one month ago, the Prime Minister is made aware of the letter of support and exonerates the minister. How can anyone be exonerated for breaking guidelines so clearly, where this whole ministerial department is called into question?

The Prime Minister takes no action. Funny. This was confirmed on October 28 by the Prime Minister when he stated in the House in reference to his exchange with the "ethics counsellor": "The answer that came from him did not lead me to change my mind about the decision that I had made earlier in the month". I think it was October 1. We were still in the month of October. As if this was perfectly excusable.

On October 26 ethics counsellor Howard Wilson is contacted not by the Prime Minister nor his officials, but by a Southam News reporter. He is made aware of the March 15 letter. The ethics counsellor does not launch an investigation into that. CBC breaks the story on Prime Time News later that evening.

Sometime on the morning of October 27 the ethics counsellor Mr. Wilson is contacted by PMO staff regarding the minister. Does this smell like damage control, Mr. Speaker? You have seen damage control in your many, many years here. You saw it from within in fact and now you are seeing it perhaps from within again. The contents of that conversation remain confidential, but Mr. Wilson said that he was not asked to start an investigation. The details continue. Later on the morning of October 27 the minister stood up in this House claiming to have never seen the March 30 letter.

• (1355)

All of us get a lot of correspondence in our offices, but if we do not see it and if we do not have competent staff to bring very important letters like that to our attention, then as the minister and the Prime Minister have said so clearly, we bear the responsibility for that.

This minister should bear the responsibility for it. He has not. The Prime Minister has not and this is not the end of the story. He says of course that he "took immediate corrective action". From what we have heard in this House it would seem he was just acting as an MP, not as a minister, so he did not really need to take corrective action. However he took corrective action anyway because of what the Prime Minister said was a mistake. It was an error, so hey, go figure, as the high school students would say.

In question period on October 27 at 2.24 p.m., the leader of my party said: "There is a simple guideline that applies in these cases and it is a most elementary one". Surely we could all understand elementary guidelines in this House. It is understood in most jurisdictions. That is that ministers do not communicate with quasi–judicial, regulatory bodies except in three ways: through statute; through orders in council; or through public formal submissions to that body. They do not communicate through telephone calls or casual conversations or casual letters.

This is not proper. Mr. Speaker, you know it and I know it. I suspect all of us in this House know it. Perhaps it is time we admitted it.

At 2.29 p.m. that day the Prime Minister stated in question period: "I consulted the government's ethics counsellor and one I appointed for myself, and both confirmed that I had made the right decision in this matter". At 2.49 p.m. the Prime Minister said: "Mr. Speaker, the ethics counsellor has informed me that he is satisfied with the conclusion I have come to at this time". The ethics counsellor knew nothing about this. I have spoken often about the phantom of the Ottawa. It seems to me he has been speaking to the Prime Minister during overtime.

In question period on October 28, at 11.15 a.m. the Prime Minister said: "I did not speak to Mr. Wilson myself, but I asked that he be consulted yesterday". This contradicts the statement the Prime Minister said the day before. At 11.52 a.m. on October 28 the Prime Minister said: "In the case of quasi–judicial bodies that relate to the affairs of the government, the affairs of the members of Parliament and so on, the guidelines were not clear to my satisfaction. I have asked the Privy Council Office to prepare new guidelines in consultation with Mr. Wilson".

Sometime later on October 28 Mr. Wilson was approached by the PMO to look at existing guidelines for ministers. This was the first time Mr. Wilson received the confidential guidelines for ministers. Prior to this he had no knowledge of them whatsoever. It was October 28, getting very close to Halloween, the time of spooks and hobgoblins and all kinds of stories.

On October 31, the very day of Halloween, in his statement to the House the Prime Minister stood up and attempted to clarify the role of ministers in regard to quasi–judicial bodies. Interestingly, while he revealed other ministers' letters to the CRTC, he did not account for his own action nor the minister's actions over the last seven months.

During question period on Halloween, in full mask in response to the contradictory statements by the Prime Minister about the ethics counsellor, the member for Medicine Hat asked that the Prime Minister make the current ethics counsellor office independent and accountable to Parliament and not just the Prime Minister. Still during question period on Halloween at 2.45 p.m. in response to the contradictory statements by the Prime Minister, he asked again that this be accountable to Parliament.

Yesterday, November 2, in an interview with CBC Newsworld, Mr. Wilson admitted that he never undertook an investigation of the heritage minister affair. Can we look at a department that acts responsibly, that acts with integrity? Absolutely not.

Let me close my remarks by saying this entire ministry, this entire department, this cabinet minister and all his officials, the Prime Minister and this entire government has been tainted by more than tuna fish. This department has been called into disrepute and we are disgusted by it.

*S. O. 31*

**The Speaker:** Colleagues, it being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31. The hon. member for Saint–Denis.

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## STATEMENTS BY MEMBERS

[*English*]

### GREECE

**Mrs. Eleni Bakopanos (Saint–Denis, Lib.):** Mr. Speaker, this past weekend, Canadians of Greek origin commemorated a very important national holiday of their country of origin.

On October 28, 1940 the Greeks said no, oxi, to the forces that sought to divide and conquer Europe. They chose to fight the forces of the axis and remained united with the allies.

[*Translation*]

Canadians of Greek origin in Quebec are now ready to say no to the separatist forces, no to the Bloc Quebecois, no to the Parti Quebecois, and yes to a united Canada.

* * *

### LITERACY

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, I am very pleased to tell this House about the national family literacy conference now being held in Ottawa, which is organized by the Movement for Canadian Literacy.

Family literacy is a new approach which seeks to provide basic training and development services for adults who have to stay home with pre–school children. Besides meeting the specific literacy needs of adults, this new form of learning creates an environment that encourages children in the family to read and write.

Members of the Bloc Quebecois are happy to support such initiatives and hope to see other projects to improve the basic training of a growing number of Canadians and Quebecers.

* * *

[*English*]

### ROSE CHARLIE

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I am proud to announce to the House that a woman from my constituency has been accorded a signal honour as one of only five distinguished Canadian women to receive the Governor General's Award in commemoration of the Persons Case.

Ms. Rose Charlie is a member of the Sto:lo and Chehalis bands. She has a record of 25 years of unstinting community service and advocacy.

As a founding member of Indian Rights for Indian Women and the Indian Homemakers Association, Ms. Charlie was at the forefront in challenging the Indian Act that deprived First Nations women of their status when they married non–Indians.

As a result, a federal legislative change was enacted in 1985 that has enabled thousands of women and their children to regain their status as First Nations people.

Rose Charlie never wavered in the pursuit of her cause. Not only is she an example of service and dedication to her people; she is testimony to the success that follows perseverance.

Along with the Government of Canada and on behalf of all my constituents, it is my pleasure to salute her today.

* * *

### ROYAL CANADIAN LEGIONS

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, the Royal Canadian Legion was founded in 1925 to look after the veterans of World War I. The first ladies auxiliary was formed a year later. The first Remembrance Day was in 1931 when 50,000 attended in Ottawa. This resulted in parliamentary recognition of Armistice Day. Today the legion has 600,000 members in 1,800 communities.

In Peterborough riding, legions in Havelock, Keene, Lakefield, Norwood, Peterborough and Warsaw, in addition to taking care of veterans affairs, donated tens of thousands of dollars to local charities this year alone. They supported disadvantaged children, minor hockey, Meals on Wheels, Civic and St. Joseph's hospitals, Easter Seals, the United Way, local churches, animals in distress, Terry Fox, homes for the aged, high school students, the lung association, Telecare and many other fine causes.

Canadian veterans who are no longer with us would be proud of their legion today.

* * *

[*Translation*]

### BLOC QUEBECOIS

**Mr. Eugène Bellemare (Carleton—Gloucester, Lib.):** Mr. Speaker, last Sunday, 800 committed separatists spent $125 each to have a drink with the leader of the Bloc Quebecois and celebrate their first anniversary in opposition in the House of Commons.

On Monday morning, *Le Devoir* reported that very few PQ members of the National Assembly and cabinet ministers answered the invitation to raise a glass with the Bloc leader.

Clearly, the falling popularity of separatism bothers him a lot. That is why he said it was time for separatists to wake up.

Are we to conclude, then, that despite what the leader of the Bloc said in front of Mr. Parizeau and the other guests, they preferred to continue dozing off for the rest of the celebrations?

* * *

[*English*]

## CAREER WEEK

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, on behalf of my colleagues, the Secretary of State for Training and Youth and the Minister of Human Resources Development, I am pleased to inform the House that this week more than 1,500 junior and high schools, colleges and Canada Employment Centres will participate in the 1994 edition of Canada Career Week.

• (1405)

Canada Career Week is designed to focus the attention of students and all Canadians on what prospects the job market is likely to hold for them and which skills they will need to succeed in an ever evolving economy.

Education is the key to sound career planning because knowledge opens doors. Young people have to start planning their future very early. Canada Career Week activities like job sharing and career and job fairs will have them face the challenge of making the right career choice.

I convey my best wishes for success to all Canada Career Week organizers and participants.

* * *

[*Translation*]

## REMEMBRANCE DAY

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, filled with pride but also with sorrow, we wish to draw the attention of the House today to the tremendous contribution made by women to the war effort during World War I and, more significantly, between 1939 and 1945.

We take pride in the fact that women participated on all fronts and that their contribution was useful, effective and necessary. We feel sorrow for all the suffering, for the loved ones they and their children mourned, for lives that were disrupted and cut short. We also want to voice our hopes.

Like the World Health Organization that supports the elimination of nuclear arms, Canadian and Quebec women want a world free of all wars and hostility and hope other ways will be found to resolve conflicts. They want peace.

[*English*]

## YOUNG OFFENDERS ACT

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, I rise in the House today to speak once again, along with the large crowd in front of the Parliament Buildings today, to demand real change in the Young Offenders Act legislation.

This past Monday in my riding of Port Coquitlam, Derek Rosenberg was attacked by a group of young people upon leaving a 7–Eleven Store and pushed through a glass door face first. Mr. Rosenberg, age 26, has a heart condition and requires medication as well as continued good operation of the pacemaker which was installed this past January and on which his health depends. This was of no concern to those who left him lying in the broken glass with serious injuries.

How many more victims must fall before the government enacts real change to make the streets safe for those who live on them and judgment certain for those who threaten that safety?

* * *

## FROBISHER BAY

**Mr. Robert D. Nault (Kenora—Rainy River, Lib.):** Mr. Speaker, on behalf of our two members of Parliament from the Northwest Territories, I would like to extend my deepest sympathies to the families and friends of the eight hunters who drowned in Frobisher Bay earlier this week.

Our thoughts are with the two survivors and the whole community of Iqaluit whose lives have all been drastically affected by this tragedy. Although no thoughts or words can ease the pain being shared, some comfort can be taken in the contribution that these two men have given to the continuation of traditional life in the eastern Arctic.

Death is a part of life in the Inuit culture and because of individuals like these hunters the Inuit way of life lives on.

Along with these members from the Arctic I would like to encourage the people of Iqaluit to continue the struggle which these men worked so hard for in sustaining the Inuit culture.

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## LITERACY

**Mr. Andy Scott (Fredericton—York—Sunbury, Lib.):** Mr. Speaker, I am pleased to add my support the MCL's National Family Literacy Conference and welcome participants to Ottawa.

Given my own work promoting literacy in my riding through the community academic services program, I recognize the importance of reaching out to those who are unable to enjoy the printed media.

Children in non–reading families are more likely than other children to be non–readers as adults. Unless this cycle is broken it can continue for generations.

Schools alone cannot be responsible for establishing citizens as full and comprehensive language users. Literacy development demands participation from the family and the community if citizens are to be strong, effective communicators.

In family literacy programs like those championed by the National Family Literacy Conference, parents and other adult family members learn the importance of reading and writing.

I applaud efforts to meet the literacy needs of parents and their children and I pledge my continued support in eradicating illiteracy in our communities.

* * *

## CHINA

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Mr. Speaker, the largest foreign delegation ever assembled will be leaving Canada for China tonight, led by the Prime Minister; most premiers, with the exception of one; and businessmen and women from throughout the country, some of our most talented people. They will be going to sell our services and our products in that large country.

• (1410)

As part of this Team Canada they are going to show the Chinese people that we are willing to sit down and do business with them.

[*Translation*]

We promised that in our red book. It is a part of our program. It is important to develop foreign trade and trade relations. We promised we would, and we are delivering the goods.

I know everyone will want to join me in congratulating the Prime Minister of Canada and wishing him and his team good luck.

* * *

## REMEMBRANCE DAY

**Mr. Maurice Godin (Châteauguay, BQ):** Mr. Speaker, next week, at the eleventh hour of the eleventh day of the eleventh month, we will commemorate a major event of this century.

In 1918, the Great War officially ended with the signing of an armistice. Since 1921, Canada has commemorated this fact, in tribute to all those who made the supreme sacrifice of their lives to bring peace to the free world. Every day, the international news reminds us of the price of peace and the cost of war.

We must remember, for the benefit of our collective memory. It is not just for our veterans, for whom this day symbolizes the entire meaning of their lives. It is not just for all those who died. It is just as important for future generations.

We must remember the lessons of history. Our tribute to the past is as important as our responsibility for the future.

* * *

[*English*]

## LITERACY

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, I rise to address the House in my capacity as literacy critic for the Reform Party. This is a position which I do not like to have because as long as it exists it signifies there is a literacy problem in Canada.

What is being done about this problem and what should be done about it? For those youngsters in the school system today, which is within provincial jurisdiction, let us hope all education reviews stress the necessity to teach the basics.

For those who have slipped through the cracks in the education system, it is important that they have access to literacy programs which will help them to learn to read and write. I believe it is my job to ensure that whatever literacy programs be established they be effective in this attempt to address literacy.

This is where the national ad hoc literacy group comes in. It stresses helping the whole family to ensure there is an appreciation of books and reading in the home.

In this international year of the family groups such as this which stress the strengthening of the family unit through an appreciation of education deserve our praise.

I wish all participants in the National Family Literacy Conference well in their deliberations and I look forward to joining them for some of their sessions.

* * *

## RAILWAYS

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, the Liberals made many promises in Manitoba during the last federal election. A lot of them had to do with railways.

They promised they would stop the flow of jobs from Winnipeg to Edmonton through the CNR. They have not done that. Instead the crew calling office and rail traffic control are being transferred from Winnipeg to Edmonton just the way they were under the Tories.

They promised that Churchill would be revived. What do we have instead? We have the member for Thunder Bay—Nipigon saying that Churchill should not be part of the Canadian port system, and the Minister of Transport and the member for Winnipeg South Centre refuse to repudiate him.

All these promises have been broken. The one thing they did not promise was setting up a Liberal only committee to examine ways to commercialize, which is another word for privatize, the CNR.

They broke all their promises with respect to rail in Manitoba.

* * *

### LEADER OF THE REFORM PARTY

**Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.):** Mr. Speaker, I note with interest that the leader of the Reform Party is planning to reconsider the advisability of his taking a 10 per cent pay cut. The rationale for his change of heart is that because he is not getting enough credit for the great sacrifice he may start taking his full pay.

It has always been my view that you took an action because you believed it was the right thing to do and not simply to get credit.

The leader of the Reform Party said he decided on a month by month basis whether to take his pay cut. The hon. member made such a big deal over his frugality I would urge him to stick to his guns, take the cut and not decide his pay on the basis of how many fancy suits he wants to buy or get dry cleaned in a given month.

Many hon. members from each and every party in the House make sacrifices for what we do but do not get credit for. We do it because we believe in it. We do it because we want to do our part. We do it because it is the right thing to do. I urge the hon. leader of the Reform Party to do the same.

* * *

[*Translation*]

### BLOC QUEBECOIS LEADER

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, the Leader of the Official Opposition has completely reversed his position this week by voting against Bill C–56 on Environmental Assessment.

• (1415)

He was the one who said in October that this was his baby, that he had fought very hard for it in Cabinet. According to him, he never spoke against the bill.

The Leader of the Opposition has a very short memory. On October 21, 1993, when Mr. Lépine asked him during a broadcast of *Le Point* whether he would not find himself opposing Jacques Parizeau if the latter won the upcoming election, the hon. member replied that Mr. Parizeau would also respect the legislation, that the Parti Quebecois had agreed to that position.



By voting against Bill C–56, the Leader of the Opposition shows clearly that he no longer has any credibility when he purports to speak for Quebecers.

* * *

[*English*]

### LITERACY

**Mr. Paul Zed (Fundy—Royal, Lib.):** Mr. Speaker, I want to bring to the attention of the House the first national family literacy conference which is being held here in Ottawa this week, sponsored by the Movement for Canadian Literacy which brings together groups and individuals from across the country working in family literacy.

The family is the single most important social unit and that is where the serious problem of illiteracy can best be tackled.

I wish to commend the conference organizers, especially Marion Zaichkowski, the co–chair of the New Brunswick Committee on Literacy, who is participating in the work of this conference.

Today I met with the government's literacy minister, the hon. Joyce Fairburn, to discuss literacy initiatives. Senator Fairburn has been an outstanding advocate for Canadian literacy and a strong supporter of the conference and will be addressing the delegates today at the National Press Club reception at three o'clock.

I urge all members of Parliament to attend and renew their support for the government's—

**The Speaker:** Oral questions.

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## ORAL QUESTION PERIOD

[*Translation*]

### GOVERNMENT SPENDING

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, two weeks ago, the Minister of Finance sounded the alarm. "We are in hock up to our eyeballs. This cannot go on. The situation is not sustainable", he said, and he promised once more that he would cut spending.

Yesterday, his colleague at Treasury Board announced $2 billion in additional spending, including $26 million for Hibernia, $4 million for the Privy Council, $3 million for Canadian unity and $2 million more for the other place.

How can the government expect taxpayers to take its promises to cut government spending seriously, when today, it announces an additional $2 billion in spending?

[*English*]

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, this is a normal process that is carried out a couple of times a year whereby in the reserves money is allocated for certain projects that have not yet been finalized and details have not yet been provided in the main estimates. They are then put into the estimates through a supplementary procedure which we went through yesterday and tabled in the House.

There is absolutely nothing in terms of removing one iota our commitment to getting our spending down, to getting the deficit down to 3 per cent of GDP in three years. We are on target and we intend to meet that goal.

[*Translation*]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the minister says this is quite normal. I agree. It is normal for this government to keep doing the opposite of what it says it will do.

How can the minister reconcile the mandate the Minister of Intergovernmental Affairs received to downsize government and government spending with the decision to give him $6 million more for operating expenditures?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, on June 25, 1993, the previous government implemented changes that abolished the Federal–Provincial Relations Office.

When the new government came back, it obviously concluded that, considering the profile of the opposition, in particular, this was a problem that should be given all necessary attention, and that is what we did.

Of the $5.9 million in the Supplementary Estimates, several hundred thousand dollars will be used to reduce overlap, which is exactly what the Government of Quebec and the opposition are asking us to do. This will cover the cost of rebuilding a group of officers to take care of federal–provincial relations and of eliminating overlap and duplication.

• (1420)

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I want to ask the Deputy Prime Minister whether she realizes that the government is doing the exact opposite of what everyone expects it to do. It lets its administration spend more and comes down on the needy in our society by cutting social programs.

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Leader of the Opposition knows perfectly well we have always had Supplementary Estimates. That was already the case when he was a minister in Mr. Mulroney's government.

What we said today, what the Minister of Finance said last week and what the Prime Minister has emphasized, is that we intend to meet our commitment to a target of 3 per cent of GDP. And we will succeed.

[*English*]

We are going to meet our targets. We intend to meet our targets. We are going to meet our 3 per cent and the Prime Minister is committed to that. Every member of the cabinet and the government is committed to that deficit reduction exercise.

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[*Translation*]

## PHARMACEUTICAL INDUSTRY

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, my question is for the Deputy Prime Minister. The intentions of the federal government remain unclear regarding former Bill C–91. In their attempt to have the supporting regulations changed, a group of government members are challenging openly and publicly the validity of the act designed to protect pharmaceutical companies manufacturing brand name drugs, companies that invest substantial amounts in the design and development of such drugs.

Does the Deputy Prime Minister agree with this open attack on Bill C–91 by several of her fellow government members, with the support of former Liberal minister Bob Kaplan, who now lobbies for generic drug manufacturers?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Nothing is being attacked, Mr. Speaker. Our committees are their own masters. A proposal was tabled in committee and defeated.

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, considering that all the Liberal members in attendance at the committee meeting this morning voted against the regulations pertaining to Bill C–91, does the Deputy Prime Minister intend to take these members to task, in order to prevent a recurrence—

**The Speaker:** Order! I would ask the hon. member to rephrase his question, as it deals with two matters. First, it deals with committees and then with what sounds like a problem within a political party. So, if you could just rephrase the question, it would be acceptable.

**Mr. Rocheleau:** Mr. Speaker, does the Deputy Prime Minister intend to take to task these Liberal members, to prevent major investments by pharmaceutical companies from again being jeopardized by their persistence?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, we respect the committee's capacity to act independently. I hope that the hon. members opposite also respect the right of individual parlia-

mentary committees to do their job properly, acting independently, as they should, under the reforms we have proposed.

* * *

[*English*]

## ETHICS

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, it has been quite a week. What has become crystal clear to Canadians is that this government has sacrificed its integrity on the altar of political expediency.

Not only did the Minister of Canadian Heritage violate existing guidelines for ministers, albeit a watered down version of Tory guidelines, the Prime Minister failed Canadians by not firing the minister. He compounded his failure with a story a day.

How can the Deputy Prime Minister claim with a straight face that this government will restore integrity to any of our political institutions?

**The Speaker:** My colleagues, in the questioning in the last few days we have been skirting that very fine line where we impute motives to members of Parliament.

I believe the questions, as much as possible, should be directed to the administrative responsibility of the government rather than using this type of wording. I would appeal to all hon. members to please back up a little from the impugning of motives in any of our questions or answers. I will permit the Deputy Prime Minister to answer this question if she so chooses.

• (1425)

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Speaking of straight faces, Mr. Speaker, I was quite surprised to hear the member yesterday saying that Jean Chrétien looked like Brian Mulroney.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, the facts are clear. The Prime Minister knew of the heritage minister's letter fully a month ago and he did not contact the ethics counsellor, who only found out about it from the media last week.

The Prime Minister had made up his mind before he contacted the ethics counsellor, who was not even asked for a ruling. These are the facts, not fiction.

If this government wants to restore public confidence and maintain the ethics counsellor as a watchdog of this place as he should, not a lapdog, why will she not have him report to the House on this affair immediately after the recess next week? What are they afraid of?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I do not want to reflect on integrity but when the member across the way speaks about integrity I find it passing strange that two days ago she made certain false allegations in the House which she knew subsequently to be false but which she did not have the integrity to withdraw.

I hope today she takes the opportunity to—

**The Speaker:** My colleagues, once again I would appeal to you to try to deal with the facts as opposed to personal attacks. It would make things a lot easier for the House.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, as you and I clearly know, calling and intervening with a quasi–judicial body is wrong. Calling a judge for any reason is also wrong. This Prime Minister never denied that he actually called a judge. There was discrepancy about why he called. He admitted he had called a judge.

This entire affair has been unbelievable and continues to be unbelievable. There is no denial of that.

This government has placed politics before principle and its damage control spin doctors have spun out of control. This Prime Minister has set a precedent of claiming to be responsible and accountable but he is neither. Frankly, I wonder would any further supplementaries be totally wasted on this government?

**The Speaker:** Order.

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[*Translation*]

## HUMAN RIGHTS

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, my question is for the Deputy Prime Minister.

Tonight, the Prime Minister will begin a long trip at the head of a Canadian delegation that will take him to China, in particular. We know how important respect for human rights is and the leadership role which Canada has always assumed in this regard. Last week, the Prime Minister admitted in Vancouver that he did not intend to raise the issue publicly.

How can the Prime Minister believe that timid action behind closed doors can significantly improve the human rights situation in China?

[*English*]

**Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.):** Mr. Speaker, this trip to China will be the biggest delegation ever assembled from Canada. We are going to strengthen and advance the ties between Canada and China.

On this front we will advance on the four pillar policies that we have stated so clearly in this House. The first is the economic and trade ties between us. The second is the role China plays in the security of the world. The third is sustainable development and issues about the environment. The fourth is about human rights, good government and the rule of law development in China.

This government would not sacrifice any one of those for the other.

[*Translation*]

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, that is not exactly what we heard.

Are we to understand from the reservations expressed by the Prime Minister that Canada has now given up its leading role in defending human rights around the world?

• (1430)

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, in answer to that question, last week, I observed with interest the meeting between the Premier of Quebec and the governor of a Chinese province and I noted that the Premier of Quebec made no public comment about human rights in China.

* * *

[*English*]

## IMMIGRATION

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, the minister in his 1995 immigration plan told this House and the Canadian people that the levels of family class immigrants would not increase but would remain stable at a level of 51 per cent of all immigrants. Does the minister still maintain that this is an accurate representation of the facts?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, what we have said and confirmed in this plan is that the family class is very much a cornerstone within the immigration program. Not only in the family class category itself but the principle of family is protected in every other category. When we bring in an independent or a business class immigrant or a refugee they also have the legitimate right to bring in their families.

We have also tried to seek a balance because there are four different categories in the immigration program. We want each category to have an appropriate market share of the overall program. It has been well received in the east, the west and central Canada.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, we are talking about a plan and the numbers as the minister has released them to the Canadian people are somewhat deceptive.

This minister has in effect created two separate and new classes of immigrants that did not exist last year. These classes were included in last year's family totals but have been conveniently shuffled off into another column. In fact the percentage of family class immigrants in 1995 is expected to be significantly higher than last year.

Why did the minister obscure and fudge the numbers?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I do not want to disappoint the hon. member but there is no fudging of the figures. The figures are very clear.

We tabled four documents as part of the immigration plan, a 10 year strategic framework, a document called "Facts and Figures" and a report of the entire consultation process of what Canadians said. In response to this the Reform Party of Canada put out a three paragraph position on immigration. On Monday the critic said he was in support of the general direction, but on Tuesday he was completely opposed. Why do they not get their act together?

* * *

[*Translation*]

## GOVERNMENT SPENDING

**Mr. Richard Bélisle (La Prairie, BQ):** Mr. Speaker, my question is for the Deputy Prime Minister.

While the Minister of Finance is saying that the country is practically on the verge of bankruptcy and that the time has come to cut government spending, the government tables supplementary estimates confirming over $2 billion in additional expenditures. At the same time, we learn that senior officials asked federal auditors in charge of the internal audit process to remember that their reports can be made public and to keep a low profile.

Are we to understand that the new approach favoured by the Liberal government is to try to muzzle government auditors to keep them from denouncing gross abuses and waste in the federal administration?

[*English*]

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, let me repeat again that I answered this earlier to the Leader of the Opposition who of course at one time was in government and knows how supplementary estimates work.

There are not additional expenditure items. They were provided for in the reserves. There was not sufficient detail in accordance with the required procedures to place them into the main estimates at that point so it is fully understood they come under supplementary estimates.

It has not changed at all our determination to meet our expenditure cut goals and to get the deficit down to 3 per cent of GDP in three years.

[*Translation*]

**Mr. Richard Bélisle (La Prairie, BQ):** Mr. Speaker, I do not think the minister really understood my question. Are we to understand that the new approach favoured by the Liberal government is to try to muzzle government auditors to keep

them from denouncing gross abuses and waste in the federal administration?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, it is exactly the same approach that was used by the Leader of the Opposition during his three years as a minister in Mr. Mulroney's government.

* * *

• (1435)

[*English*]

## IMMIGRATION

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, recently *Saturday Night* reported on grave problems within the Immigration and Refugee Board. One of the issues raised in the article was the conduct of the vice–chair of the board. *Saturday Night* reported that the vice–chair had ordered the raising of refugee acceptance rates and threatened the career of those who do not meet an acceptance quota.

I ask the Minister of Citizenship and Immigration: Is it not true that he was aware of the manipulations by the vice–chair long ago? Why did he not do anything about it before?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the answer to the first question is no.

I confirm that the chair of the Immigration and Refugee Board wrote to me yesterday suggesting that there would be reasons for conducting a fuller review. Yesterday I instructed our department's legal counsel out of the Department of Justice to write to the deputy vice–chair requesting his written comments within seven days. Once I have all the facts before me I will make the appropriate decision. This government will always do the right thing.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** That is very reassuring, Mr. Speaker.

Recently another high ranking member of the board, Greg Fyffe, was released from the board under suspicious circumstances. Some reports tell of frustration because of interference by this minister. Another distinguished member of the board resigned his post in frustration, accusing the IRB of pandering to the immigration industry costing Canadians millions of dollars and not helping true refugees.

Will the minister admit that he has long known about the troubles in the Immigration and Refugee Board and that he refused to address them?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the member's flight of exaggeration serves no public interest except to further the political exploitation of an issue that this party has never accepted. I do not believe it is dignified for a minister of the crown or a member of Parliament to discuss personnel matters on the floor of the House of Commons.

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[*Translation*]

## MARINE TRANSPORTATION

**Mr. Benoît Sauvageau (Terrebonne, BQ):** Mr. Speaker, my question is for the Minister of Transport. The Sub–Committee on the St. Lawrence Seaway is proposing that the Pilotage Act of 1972 be repealed, that the four pilotage authorities be disbanded, and that a Canada—United States agency be responsible for pilotage on the St. Lawrence River and the Great Lakes.

In order to maintain the safety of navigation on the St. Lawrence River, will the Minister of Transport pledge to reject the sub–committee's recommendation to repeal the Pilotage Act?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, we understand the great importance of safe navigation on the St. Lawrence River and elsewhere, and the report submitted by the sub–committee will be thoroughly examined. I want to reassure the hon. member and tell him that we will not take any measure that would jeopardize the safety of those who navigate on the St. Lawrence River or elsewhere.

**Mr. Benoît Sauvageau (Terrebonne, BQ):** Mr. Speaker, considering that the safety of navigation on the St. Lawrence River is not the responsibility of Americans, who have a real interest in cutting the costs of navigating in Canadian waters, how can the minister expect a binational agency to apply the same safety standards as the current pilotage authorities?

[*English*]

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, the introduction of new technology or the changes in any system having to do with maintaining safety and security whether it is in the air, on the sea or on land will always have as its very first priority the safety and security of Canadians and anyone who travels in Canadian controlled environment.

I want to reassure my colleague that whatever changes are made, and this report is one of many that will have to be considered, the first priority will always be to make sure that we are respecting safety and security. Any arrangements whether they are with the United States or any other international arrangement we enter into will always focus on safety and security because that is the fiduciary responsibility of the Department of Transport.

## LAW OF THE SEA

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, my question is for the distinguished Parliamentary Secretary to the Minister of Foreign Affairs.

The law of the sea is designed to protect the world's fisheries and to stop pollution in the oceans. Canada signed that law 12 years ago but has yet to ratify it.

• (1440)

Given the fact that the law of the sea will come into force in two weeks and it is not ratified by Canada, would the parliamentary secretary tell this House the precise date when the Government of Canada will ratify this important international law?

**Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.):** Mr. Speaker, I am pleased to be able to answer this question of my colleague on an issue of importance to Canada.

Canada did sign the law of the sea convention in 1982 but we did have some concerns about some provisions in that convention with regard to the exploitation of the deep seabed. After long negotiations we were able to sign the agreement in the United Nations this year on July 29. Because of that we are now looking through all of our laws to make sure they are consistent with the convention.

The convention will come into force in November of this year and we hope to be able to ratify it ourselves soon thereafter.

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## YOUNG OFFENDERS ACT

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, my question is for the justice minister.

It is time this government ended the pain. Too many mothers live with tombstones in their eyes. They see the names of their children on gravestones because of the failure of this government to address the problems with the Young Offenders Act.

When will this government quit reviewing, consulting and debating changes to the Young Offenders Act and realize that some young offenders cannot be rehabilitated?

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I would like to suggest to the hon. member that granted some young offenders cannot be rehabilitated, but most can. It is a very worthwhile exercise to seek the rehabilitation of young offenders because they are not going to serve their sentences forever. They are going to be back in society and it is in the interests of society that they be rehabilitated.

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, I have looked into the eyes of a mother whose four year old child is gone forever. I have seen the tears created by the calling of her child's name. I saw this mother refuse to let go of her child's teddy bear as if the touch might keep her child alive.

Canadians stand on these grounds to protest this government's refusal to admit mothers and fathers cry every day because the current young offenders legislation is no deterrent to violent youth.

When will the minister admit some violent young offenders deserve closed custody for periods that are longer than the time it takes for the tears to stop flowing?

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, there is no punishment or sanction in the world that is going to compensate for the loss of a child.

The Reform Party is asking for justice and that is what it is getting from this government. Bill C–37, with amendments to the Young Offenders Act, is in committee at the present time. We have stated that we will be proceeding with a 10–year review of the Young Offenders Act.

We need consultation and dialogue to get the right law. If we were not dialoguing and consulting, there would be another complaint from the Reform Party.

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[*Translation*]

## MARINE TRANSPORTATION

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, my question is for the Minister of the Environment.

Even though double hulls are not required for navigation on the St. Lawrence and giant oil tankers have very little clearance when carrying a full cargo, the transport sub–committee recommends that the Pilotage Act be repealed and the pilotage associations disbanded.

In order to avoid an ecological disaster on the St. Lawrence, does the Minister of the Environment intend to continue to require shipowners to use certified pilots?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, first of all, there is no doubt that my hon. colleague attaches a great deal of importance to a report prepared by the transport sub–committee, but let us not exaggerate that importance. Before changes, if in fact there are any, can take place, all the implications will have to be examined.

And as far as security on the St. Lawrence River is concerned, we are obviously going to take great pains to ensure that any proposed changes will not result in greater risk than that already existing.

• (1445)

When I listen to the Leader of the Opposition and the members of the Bloc speaking about budgetary restraint and the need to examine all possible avenues to cut costs, I wish to make it quite clear that we will examine all the possibilities, but we will also maintain our responsibility for security on the St. Lawrence River and elsewhere in Canada.

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, since the Minister of Transport continues to threaten to eliminate the St. Lawrence pilotage system, does the Minister of the Environment recognize that this system constitutes the best means of ensuring the protection of the environment with respect to navigation on the St. Lawrence?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, it is completely false to claim that the Minister of Transport is threatening to abolish the pilotage system on the St. Lawrence or anywhere else in Canada.

A parliamentary sub–committee tabled a report and we will take its recommendations into consideration. But we will evaluate all changes in the context I have described previously, that of ensuring the security of people travelling on the St. Lawrence, or on the east or west coast.

As far as pilotage is concerned, no decision has been taken. I would like to assure my hon. colleague, through you, Mr. Speaker, that this is not the time to start rumours that we are going to do anything today or tomorrow that could endanger those who need to have their safety ensured on land, at sea and in the air.

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[*English*]

## JUSTICE

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, the recent Supreme Court decision confirming the defence of extreme drunkenness was only a milestone in developing trends of defensive intoxication.

This year in British Columbia there has been a 50 per cent increase in the number of murder trials that resulted in convictions on lesser charges. The majority of these cases are due to the defence of intoxication.

Why is this government prepared to wait while the intoxication defence is allowing criminals to literally get away with murder?

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as I mentioned, I think to the hon. member for Beaver River, this is a great concern to the Minister of Justice and there is going to be something done about this.

The whole question of extreme and excessive drunkenness is being included in the recodification of the Criminal Code. The report on that recodification is now before the Minister of Justice and he will be expressing his position on the contents of this recodification very shortly.

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, this House is great at reports and in studies and I think what the Canadian people are asking for is action.

The Liberal red book states that as a government it will introduce measures to protect women and children. Yet in the majority of the above noted cases the victims are females. Over half the cases of manslaughter, over half the convictions for manslaughter have resulted in sentences of less than five years.

Will the minister advise the House when this government will live up to its red book commitment to protect the women of this country?

**An hon. member:** No rush.

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, a member of the Reform Party says no rush. I want to disagree with him. There is a rush.

The Minister of Justice has asked for the recodification to include the area to which the hon. member refers. She mentioned dialogue and studies. What Canadians do want are good laws. They want good laws that are going to serve the needs of Canadian society and that is what this government is going to bring forward.

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## BUSINESS LOANS

**Mr. Tony Ianno (Trinity—Spadina, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

When the Prime Minister appeared on CBC's Prime Time News town hall meeting he said that some banks are doing a good job of supplying small and medium sized enterprises with financing, while others were not doing as well.

He also said there should be a ratio between lending money to big business and lending money to small business.

What is the minister doing to encourage the banks to meet a lending target whereby one–third of all business loans by the banks are allocated to small and medium sized businesses?

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I would like to first of all acknowledge the work of the member for Trinity—Spadina on the industry committee, the study on access to capital for small business.

• (1450)

The member has proposed a very important idea. I believe that most members would recognize the fact that thanks to large businesses, lending to small businesses is not satisfactory. The member has proposed an idea that this should be increased to close to a two–thirds, one–third basis.

It is an interesting idea because it would be an injection of close to $15 billion into the small and medium sized business community pool. It is an idea we are going to look at closely and we will be back to him in due course.

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[*Translation*]

## ROYAL MILITARY COLLEGE OF KINGSTON

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, my question is for the Minister of Defence.

The Minister of Defence has stated on many occasions that the Military College of Kingston would be a model of bilingualism. Last week, he set up a special committee, over which he chairs personally, to make the college bilingual.

How can the minister explain the college authorities' refusal to grant the request of Canadian Military College teachers who are asking that francophone teachers have equal access and access in their own language to cultural, professional, financial and material resources useful for their career progression?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, first of all I would like to take issue with the hon. member.

The Royal Military College in Kingston is a bilingual institution. It offers courses in both languages and there are professors and students there of both linguistic groups.

With the consolidation of the three colleges we want to ensure that this bilingualization is total and complete and satisfies people like the hon. member who were obviously upset with the Collège Militaire Royal in Saint–Jean.

I announced the committee last week which I will chair. The former commandant there, General Emond who is now the commandant at RMC, will be on the committee as will the former principal, Mr. Carrier, and other prominent members of the francophone community.

I think that this committee, once it gets going, will oversee the consolidation and bilingualization of all of these colleges into one to the satisfaction of the hon. member.

[*Translation*]

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, how can the Minister of Defence explain the fact that the dean of the college in Kingston, Mr. John Plant, is sitting on this bilingualization committee, when he is the very person who refused francophone teachers access to services in their primary language?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, this is an allegation and I have no evidence that the assertion made by the hon. member, the allegation, is actually true.

If he has facts that will substantiate his assertion perhaps he could let me know and I will look into them and try to resolve the matter.

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## ESPRIT DE CORPS

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, the Minister of Industry will know that a free and independent press is a cornerstone of democracy. The press must be free to criticize government without fear of retribution.

*Esprit de Corps* has in its writings been critical of certain aspects of sourcing of military equipment. Following this criticism a high ranking bureaucrat from industry, seconded to the Department of National Defence, is alleged to have suggested to advertisers that they should boycott advertising in the magazine *Esprit de Corps*.

Will the minister launch an investigation to determine the scope of the involvement of personnel from the Department of Industry in attempting to destroy this Canadian publication?

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, there have been allegations of this nature made not only toward employees of the Department of Industry but also of the Department of National Defence.

I have no evidence whatsoever that anyone in national defence or in the Department of Industry has made these kinds of threats. If the hon. member has names of individuals he could please give them to me or to the Minister of Industry because we cannot every day in the House of Commons have these innuendoes floating around and hurting institutions and government departments that carry on their job on a daily basis beyond reproach.

• (1455)

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, would the Minister of Industry investigate in the

department to find out whether these allegations are true? That was my question.

General Motors recently pulled its advertising from the magazine *Esprit de Corps*. The reason given for this decision is that its representative was getting bad vibes from the Department of National Defence. Would the minister of defence in concert with the Minister of Industry issue a directive that all personnel are to cease and that this kind of action would not be tolerated in any department of the Government of Canada?

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I can give the hon. member an assurance. If there are people doing this it will not be tolerated no matter what government department. Please come forward and give us the evidence before he makes the charges on the floor of the House of Commons.

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## INTERNATIONAL TRADE

**Ms. Bonnie Brown (Oakville—Milton, Lib.):** Mr. Speaker, my question is for the Minister for International Trade. Today the Prime Minister leads Team Canada to China as an important strategy in our government's jobs and growth agenda.

I would like to ask the minister how he expects this mission to improve our international trade position and to improve the prospects for unemployed Canadians?

**Hon. Roy MacLaren (Minister for International Trade, Lib.):** Mr. Speaker, I am sure all members of the House would join the hon. member for Oakville—Milton in wishing the Prime Minister well as he departs with his nine provincial colleagues and some 375 business people on the largest trade mission Canada has ever mounted.

That mission in its scope and participation by all regions in Canada and by large and small corporations represents the culmination of the commitment this government has made, through the missions led by the Minister of Foreign Affairs, the Secretary of State for—

**Some hon. members:** Hear, hear.

**The Speaker:** The hon. member for Kamloops.

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## ROYAL BANK OF CANADA

**Mr. Nelson Riis (Kamloops, NDP):** Mr. Speaker, my question is for the Deputy Prime Minister, who will appreciate that in an effort to manage the deficit and the debt, the government has been calling upon Canadians, UI recipients, students, farmers, fishers and many others to pay their fair share.

She will also be aware that last week we heard the Royal Bank of Canada is expecting to see its profit margin in excess of $1 billion this year. If she looks at the financial record she will find that in 1992 in spite of $63 million in profits the Royal Bank paid no income tax at all.

Last year in spite of $324 million in profits, the Royal Bank paid no income tax and also got a tax credit to apply for this year. Will the Deputy Prime Minister not admit that when a teller at the Royal Bank is actually paying more income tax than the entire Royal Bank of Canada there is something wrong with this picture?

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, this government has made serious efforts to increase fairness. We will make continued efforts to increase fairness.

I would remind the hon. member that the large corporation tax in Canada applies to the banks. The corporate income tax applies to them. They pay a capital tax in addition to that, which is not part of the income tax but is separate from the income tax.

• (1500)

I might add that banks and all other financial institutions are expected, when they make profits the size they are this year, to pay their fair share of taxes which will go toward decreasing our fiscal deficit. That will be an important part of it.

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[*Translation*]

## BUSINESS OF THE HOUSE

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, could the secretary of state responsible for parliamentary affairs tell us what is on the legislative agenda for tomorrow and the days to come, after next week's adjournment.

[*English*]

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the order of business for the remainder of today will be Bill C–53 respecting the Department of Canadian Heritage, followed by Bill C–55 concerning Yukon surface rights, and followed by Bill C–54, the technical amendments regarding the Old Age Security Act and the Canada pension plan.

Tomorrow we will begin third reading of Bill C–38 respecting marine safety. We will then return to the unfinished business of today at the place where we left off. I understand there may be a disposition to finish the day earlier than usual tomorrow. We will discuss it as the day proceeds through informal consultations.

Next week the House is adjourned for Remembrance Day observances. I wish to inform the House that Tuesday, November 15, shall be an opposition day. The government will advise members of the business for the remainder of that week before the end of next week's adjournment.

# GOVERNMENT ORDERS

[*English*]

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed consideration of the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read the second time and referred to a committee; and of the amendment.

**Mr. Rey D. Pagtakhan (Winnipeg North, Lib.):** Mr. Speaker, the heritage of our country traces its roots to our First Nations peoples and thereafter to the French and English people who came as the earliest settlers and, even later thereafter, to peoples from all over the world who chose to immigrate and make Canada their home.

I am therefore pleased to stand in the House today to speak about Bill C–53, the Department of Canadian Heritage Act. The objective of the bill is designed to give legal status to the amalgamation of five predecessor organizations, namely the Secretary of State, the Department of Multiculturalism and Citizenship, the Department of Fitness and Amateur Sport, the Parks Canada component of Environment Canada, and the cultural broadcasting and heritage components of the Department of Communications.

This extensive reorganization reflects the government's commitment to more efficient and effective government. Under the new structure, one department with one minister and one deputy minister is given responsibility for delivering an important mandate. The Department of Canadian Heritage is a blend of the various elements that define us as a diverse and vibrant nation with a rich and abundant cultural and natural heritage.

The department's activities are the product of its broad range of responsibilities in the fields of cultural development, arts, broadcasting, national parks, historic sites, amateur sport and multiculturalism. The department also administers official languages, Canadian studies, and state ceremonial and native programs, all of which contribute in a very significant way to our sense of Canadian identity and pride.

As international barriers disappear and evolving technology stretches the world's boundaries, the development of our identity as a nation becomes increasingly vital to our country's prosperity and élan vital. It is only natural that the federal government would have an instrument such as the Department of Canadian Heritage to enable it to continue promoting development and a sense of Canadian identity.

• (1505)

The department has three principal areas of responsibility. Through Parks Canada, the department is the chief custodian of the natural and physical heritage found in our national parks, national historic sites and historic canals. Parks Canada commemorates, protects and presents both directly and indirectly places of significance to Canada's cultural and natural heritage in ways that encourage public understanding, appreciation and enjoyment.

The economic activity and tourism generated by the department's operations are of significance to many local economies not only in Canada but throughout the world. The parks service has been at the forefront of efforts for innovative partnership arrangements with private and not for profit enterprises in carrying out its mandated responsibilities.

Another principal area of the department's activities involves the enhancement of cultural development through policies and programs to support our cultural industries and our national cultural and heritage institutions such as the Canada Council, the National Gallery, the National Arts Centre and the National Archives, to name but a few.

In the area of arts and broadcasting, the Department of Canadian Heritage recognizes the importance of new technologies and is working to ensure that the impact of the information highway on Canadian artists will be a positive one.

Through the citizenship and Canadian identity sector of the Department of Canadian Heritage the government devotes many of its efforts to promoting a greater understanding of our diversity, to increasing the involvement of all citizens in Canadian society and to promoting our two official languages.

Canada's linguistic duality is deeply rooted in our country's very nature. Official language policies introduced by the federal government in the early 1970s reflect a generous and creative vision. The Department of Canadian Heritage has the unique responsibility of ensuring that English speaking and French speaking Canadians, irrespective of ethnocultural origins, feel at home wherever they choose to live in Canada.

This department places a key role in the enhancement and development of English and French linguistic minority communities; respect for Canada's two official languages, together with respect for the traditions and contributions of our First Nations people; respect for our cultural diversity; and respect for basic human rights, making Canada a unique country and one of the most highly regarded and respected in the world.

The Department of Canadian Heritage greatly affects all Canadians economically, socially and culturally. The economic activity and tourism generated by the department's operations are of great importance to many local economies.

The policies and programs of the department are aimed at fostering greater awareness of our cultural and natural riches. These are heavy responsibilities but the department is up to the task. It is apparent to me that the mission of Canadian Heritage is closely linked to the major issues facing our nation today. The

department has a full agenda and its mission extends into many sectors of Canadian society.

Clearly the Department of Canadian Heritage has a key role to play and, with the legislation in place, will be able to forge ahead to meet the challenges of the 21st century and the future beyond.

[*Translation*]

**Mr. Benoît Sauvageau (Terrebonne, BQ):** Mr. Speaker, it is out of great concern for the promotion and preservation of Quebec culture that I participate today in this debate on Bill C–53 to establish the Department of Canadian Heritage.

It is unthinkable, in my view, that a department be established to promote, as indicated in clause 4, Canadian culture and heritage. Once again, the federal government is proving to the people of Quebec that it does not understand the first thing about Quebec culture. How indeed can one seriously claim that there is such a thing as a Canadian culture? Perhaps government members should be reminded that the French language is alive and commonly used in Quebec and in many regions of Canada in spite of sustained efforts on the part of the federal government to trivialize the spoilsports it views francophones as.

• (1510)

Not only is Quebec culture alive and well in Quebec but it also radiates worldwide. Just think of the success of Quebec talent abroad. French Canadians are also successful abroad. Such a vibrant cultural environment can legitimately claim and gain complete independence at the cultural level. On that subject, the former Liberal culture minister in Quebec rightly indicated that she intended to reaffirm the need for Quebec to assume control over cultural matters on its territory. Culture is of paramount importance to Quebec; therefore, it is important that the government of Quebec be recognized the exclusive powers required to discharge its responsibilities.

As you can see, there is nothing new or partisan about us, Quebecers, wanting to manage our cultural matters ourselves. History and the evolution of Quebec over the years show this deep–seated will of dealing with Quebec culture, and to do so from Quebec. Let us look for example at the demands made by Premiers Johnson and Bertrand in the 1960s, Bourassa and Lévesque in the 1970s and 1980s, who despite their many differences of opinion all demanded that Quebec's cultural affairs be administered by Quebec.

In addition to promoting Canadian culture, Bill C–53 shows an intention of managing this so–called culture. I think that this bill amounts to an outright refusal to recognize Quebec's distinctiveness.

Let us now look at constitutional responsibilities in cultural matters. Section 92(16) of the 1867 Constitution Act recognizes provincial jurisdiction over all matters of a merely local or private nature. Is Quebec culture not a local or private matter?

Furthermore, the 1867 act gives the provinces jurisdiction over the administration of justice in civil matters, which is, as my colleague from Rimouski—Témiscouata so eloquently said, a fundamental characteristic of our distinct society.

Since provincial jurisdiction over education is closely linked to culture, it would be ridiculous and even totally inconsistent to deal with them separately. This demonstration clearly shows that the provinces have exclusive jurisdiction over the whole area of culture.

Quebec is fed up with the federal government's meddling in provincial matters! Justifying cultural interference by invoking the existence of a single Canadian culture is taking comedy, which is turning into drama, a little too far. It also ignores the history of the two founding nations, need I remind you.

Let us look for a few moments at your definition of nation. Since when is Canada a single nation? We live in a country that was created from scratch. Are you denying the existence of one of the founding nations of this country you are supposedly so proud of? Have you forgotten that there is a large francophone community in your great country and that they are in the majority in Quebec?

True, your daily actions show how little interest you have in issues affecting francophones. We only have to think about Kingston, Long Lac, the military college in Saint–Jean. But is flatly denying the very existence of a francophone culture in Canada not going a little too far?

It would be extremely dangerous to leave the administration of Quebec culture in the hands of a federal minister like the one now in place, working with a law which does not even recognize the existence of Quebec's distinct culture. Especially since the federal government was never too keen on investing as much money in francophone culture as in anglophone culture.

• (1515)

Take the example of the French and English networks of the CBC. The difference in the funding of these two is growing all the time; in April, the difference in the programming budget was $76.4 million. At the same time, we learned that the two networks had about the same size of audience.

We cannot fail to mention the many instances of duplication and overlap in the cultural field. Almost every federal cultural institution has a counterpart in Quebec. For example, there are Radio–Canada and Radio–Québec, the Canada Council and the Conseil des arts et lettres du Québec, the National Archives of Canada and the Quebec archives, to name only these.

Many hundreds of thousands of dollars are wasted every year with such unnecessary duplication and overlap. Can we afford it? Everyone knows that we cannot. Is it really asking too much to want to administer one's own culture? For too long, the federal government has shown its intention to assimilate and wipe out Quebec culture. The people of Quebec have enough of being laughed at for wanting to have all they need to develop and preserve their cultural identity.

Fortunately, Quebecers have understood that negotiations with the federal government lead nowhere and they will show that by expressing their desire to become a sovereign people. That is the only way to ensure our survival in America. Until that day, as the representatives here in Ottawa of most Quebec voters, we will strive to have the existence of this francophone culture recognized, for it shall never cease to exist.

Francophones pay taxes like all other citizens and as such they are entitled to all the benefits that anglophones have in this country and to the historical recognition that is their due. Finally, as Malraux said, culture is not inherited—it is won.

**Mr. Dan McTeague (Ontario, Lib.):** Mr. Speaker, I am pleased to participate in the debate on the bill to establish the Department of Canadian Heritage. French–speaking communities outside Quebec have long relied on the federal government to protect their rights and promote their development.

And the federal government has always responded with concrete and helpful measures for minority groups. In the early seventies, it set up programs to support French–speaking communities outside Quebec. These programs reflect an open and creative vision which allows French–speaking minority groups to thrive and fully contribute to the economic, social, cultural and scientific life of our country.

Since then, these programs have evolved according to the needs of communities and they have played an important role in their development. One of these initiatives is the Official Languages Act, which was originally passed 25 years ago and improved in 1988. There is also section 23 of the Canadian Charter of Rights and Freedoms, which guarantees French linguistic minorities the right to receive school instruction in their first language as well as the right to manage their schools, where the numbers warrant it.

So, the government of Canada, which happened to be a Liberal government, first created a legal framework to promote the development of French and English linguistic minority groups, and to promote the official languages in our country. It also created a constitutional framework which guarantees to the two linguistic communities the right to delivery of services in the official language of their choice. Whether it is delivery of services in both official languages or the right to education in the minority language, these initiatives helped make tremendous progress.

As regards the management of schools by French–speaking communities, the federal government supported every cause related to clarifying that right. The Court Challenges Program set up by the federal government was an invaluable tool for French–speaking minorities in the fight for the recognition of their rights. By the way, that program will soon be reinstated.

• (1520)

After the 1990 Supreme Court decision on the Mahé case, the federal government lent its support to every province to ensure a quick implementation of that judgment everywhere in Canada. In May 1993, the federal government announced measures to fund part of the implementation costs of a school management system in every province where such a system had not yet been set up.

Today, thanks to federal government support, French–speaking minorities can manage their schools almost everywhere in the country. I am convinced it is only a matter of time before all francophones in this country will be able to manage their own schools. I may add that this is already the case in my own riding.

The federal government is also present in other areas that are of primary importance to these communities, including the economy, human resources development and culture, to name only a few. The Department of Canadian Heritage is not the only federal institution that can play a decisive role in priority areas but is responsible for co–ordinating the implementation by departments and federal agencies of the federal government's commitment to the growth and development of official language minority communities.

These provisions of the Official Languages Act were not acted upon by the previous government. Last summer, cabinet members agreed to consider the specific needs of official language communities when implementing the policies and programs of their respective departments.

A number of specific projects have now been finalized: The La Picasse Community Centre Project in Petit–de–Grat, Nova Scotia; the new school of electrical engineering at the University of Moncton; a human resources adjustment committee for Canadian francophones; an economic development plan for bilingual municipalities in Manitoba; and the construction of a francophone community centre in Edmonton.

That is how this government supports the growth and development of Canada's anglophone and francophone minority communities. The departments each have their own mandate but all work together towards a common goal: ensuring that official language communities can reach their full potential in all areas.

The communities themselves agree this is a remarkable achievement that will have a clear impact on the development of minority official language communities.

The Canadian government and the communities had established a good working relationship over the years, but since the seventies, the world has changed dramatically. Economic imperatives and new cultural, social and linguistic priorities that are developing today have made it necessary to restructure the federal government's approach, in order to make its support programs for these communities more effective.

Thanks to the current exercise in repositioning at the Department of Canadian Heritage, communities will be able to take an active part in setting priorities and thus target the main areas where action is needed.

Official language communities are a vital force in Canadian society, not only because of their numbers but also and above all because of their extraordinary vitality and energy.

The Government of Canada has always greatly contributed to their cultural development through cultural co–operation agreements with the provincial governments, direct assistance to cultural institutions, through the federal Cultural Initiatives Program and various other support measures and instruments which I mentioned in my speech.

Some people claim that the federal government does not do enough for francophone minorities outside Quebec. We should realize that despite the current financial squeeze, the federal government has maintained the special budgets that enable francophones to manage their own schools and have better access to post–secondary education.

• (1525)

Furthermore, pursuant to the inter–departmental initiative announced last summer, all federal institutions will from now on be involved in the development of francophone and anglophone minority communities, in the spirit of the Official Languages Act.

It is important to see where the real needs are and where real progress can be achieved in developing Canada's francophone communities. The federal government is committed to meeting the specific needs of these communities because it wants to develop this country's full potential. We are firmly committed to pursuing that goal.

[*English*]

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, I am both proud and sad to address this bill at this time. What has happened within the last 10 days or so has given me concern about what is happening to the heritage of Canadians.

I am a proud Canadian. My parents are proud Canadians. My parents came to this country as children. My father met my mother when they were teenagers in southern Alberta. They were married and raised a family during the depression. They have told me many, many stories about what happened in this country. My grandparents told me of some things that happened in other countries. They talked about heritage and culture. They told us about our culture, about our parents and our background. I am proud of both of those heritages, but the one I really understand and the one I am a part of is the Canadian heritage.

One thing I want Canadians to be known for is their integrity, their honesty and their fairness and treatment of each other with justice. I am not that young any more, but my children are young. It seems to me that we as seniors in this country of ours need to present an example to the upcoming generation.

The real heritage we have as Canadians is our children for whom we are building this country. I ask myself and I ask this House, what kind of legacy are we leaving to our children when they see the kinds of things that have happened in this House over the last 10 days?

There have been allegations and almost accusations and statements made against and about the leader of our country and one of his key ministers. We have to ask ourselves: Is this the kind of thing we want our children to emulate? Do we want our children to think that the Prime Minister would defend a minister of the crown who would intercede or take action that could be interpreted as interceding on behalf of someone so that unfair or special advantage is given to one person over another? We do not want that.

The Prime Minister has said: "The buck stops here". I admire him for saying that. It is responsible of him to say: "I am accountable. I am responsible for the things that happen in my government", which includes every minister on the front bench and all the parliamentarians he leads.

But he is a leader beyond that. He is our Prime Minister. He is my Prime Minister. Even though I am not a member of his party he is still my Prime Minister. I want to be able to respect him. I want to look to him for leadership, as an example of the kinds of things that ought to be happening not only in this House but in this whole country. That is what we are looking for.

Generally the position has been clear. The Prime Minister has indicated that he is a man of the people. He listens and he tries to do what is best. But there is now a question. Did he do what was best in this particular instance? The record is clear. I am not going to review the record now. But I ask the Prime Minister, the minister and every parliamentarian here, including myself: Is this the kind of behaviour we want our children to emulate when they become this country's parliamentarians?

• (1530)

I am not proud. I do not think I could say yes to that question. I think I would have to answer no. I want my children and those who will follow us to have another example, a standard which says we will not interfere in the administration of justice. We will not interfere in a quasi–judicial body to get it to make a decision that is different from the one that is apparently independent and considers all the facts before a decision is made. That is what I want.

I think there is a position here that can be salvaged but let us make clear that what ought to be said is said and that where a mistake has been made let the appropriate action be taken.

At this time the Prime Minister must take action. He has decided not to. That is a decision. It is his opportunity to do that but I would encourage him to take at least some action. We are in a crisis situation and if we ever needed integrity in leadership it is today.

Next year in 1995 this country will be faced with a major refinancing. A major amount of money is going to have to be borrowed in the world market. The question I want to ask is this: Will the lenders that loaned us money before continue to lend us money if they have any question as to whether we will do what we said we would do? We need confidence in the financial management of this country. We need to know that the Minister of Finance and the Prime Minister are serious about getting this budget under control and balancing the budget.

Beyond that, we need something else and that is justice. This morning, in fact I am wearing the button which says "Justice for Joshua", right beside me was a group of high school students that said "No, not just for Joshua, for all of us". That is exactly what we want. We want justice for every person, young persons, middle aged persons, seniors, every person in Canada. We want justice for them, we want fairness for them and we want them to live in a way that they are treated equally as individuals and as provinces.

That is the heritage we want. That is the heritage we can have. It is we together as a group, and as individuals, as the opposition, who will fight for that. We will build a country that we can be indeed proud of and we can then say to our children: "Follow our example. It is a good one".

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, this opportunity that I have to address the House today is particularly important for me because of the nature of the debate. When we talk about culture, we are really talking about the very heart and soul of a nation. Therefore, allow me to speak with strong emotion.

The purpose of Bill C–53 is to establish the Department of Canadian Heritage and to unite under one authority all the policy instruments Ottawa has in the cultural area: the Canada Council, the National Film Board, Telefilm Canada, museums and national parks and the National Archives of Canada.

The annual budget of this department would be approximately $2.8 billion.

The main objective of this new super–department is to support and promote the canadian cultural policy. This is enough to get all the citizens of Quebec and the one million francophones outside Quebec seriously worried.

Even if in the past the cultural development policy was not so well orchestrated, we could yet see clearly that it was in Ottawa's interest rather than that of the francophones all over the country.

On the strength of the British North America Act and, hence, of the residual powers entrusted to him, and encroaching upon some provincial jurisdictions, education for example, the federal government is about to control more closely than ever what we call Canadian culture.

The desire to take over one of the more essential aspects of our lives is not new. This is nothing but the logical and perfect continuation of actions taken since the first Communications Act of 1932 by which the federal government gave itself exclusive jurisdiction in the area of communications. The events that followed confirmed its exclusive jurisdiction in other areas. This is why the CRTC can declare unilaterally what is good for the provinces, including the only francophone province in this country.

• (1535)

Using its powers to expand its responsibilities and possibly create a new area of activity, Ottawa developed over the years a policy, the bilingualism and multiculturalism policy, based on a central theme.

We can understand that some of our English–speaking fellow citizens had a hard time finding their own identity, but common sense should never have allowed the creation of such a two–headed monster. For humane considerations, my grandfather used to kill two–headed calves at birth. In Ottawa, they are considered as precious as the Golden calf.

Between you and me, Mr. Speaker, where is the cultural difference between Canada and the United States, except for Quebec, of course? Compared to our southern neighbour, Canada is nothing more than a society without any significant distinctive traits. Is there really a Canadian culture or is it merely the creation of a political administration with an over–productive mind? Have we been the victims of too wide or too narrow designs? The future will soon tell us, since Quebec will shortly be an external observer.

However, for the time being, six million francophones have to adapt to this federal creature that many find disturbing. Beyond worn–out official statements and pious wishes, what did Canada's cultural policy give the French–speaking minority of this country?

Our culture distinguishes us from other Canadians; how has this policy contributed to reinforce our own identity? The question begs the answer. This policy did not contribute a thing to our cultural development. What is worse, it actually had a destabilizing effect, limiting the growth and creative potential of its most distinctive and dynamic aspect. Even then it would have to be recognized as such—this is what happens when you have a policy the rationale of which has no bearing on Canadian reality.

Praise it as you may, claim all you want that it is likely to meet the legitimate aspirations of Quebecers and other francophones coast to coast, it does not even manage to impose respect for the most basic element of our identity: the French language. Reports unanimously show hatred for the use of French, coast to coast. Is it two languages on equal footing or one language stomped on with both feet? In what way did passage of the Canadian Charter of Rights and Freedoms benefit francophone communities?

One of its main achievements is the following: Alberta, Manitoba, Saskatchewan, British Columbia, NewFoundland and Prince Edward Island have yet to approve a single bill to give effect to plans for French language school management. They examine, they ponder, they hem and haw, as we would say. But so far, no concrete steps have been taken to support these communities who wish to manage their own schools.

Does it come as a surprise that 127 years after the birth of Confederation and 25 years after the passage of the Official Languages Act, the commissioner responsible for ensuring that the linguistic rights of minorities are respected, Mr. Victor Goldbloom, cannot get over the ignorance of the anglophone majority, that goes about completely oblivious of the existence of the francophone minority?

Mr. Goldbloom talks about ignorance when he should be talking about hostility in the case of the 65 Ontario municipalities which declared themselves officially unilingual English, although no law forces them to provide services in French. The Prime Minister of Canada said that his Canada included the 1 million francophones living outside Quebec. He must live in a great country full of respect and dignity. He should try living like little Jean Bilodeau or Jean Leblanc.

In your opinion, Mr. Speaker, should we trust these people who are unable to face up to reality? Do you think that our culture is safe in their hands? Who are these people who, through the Department of Canadian Heritage, want to define our culture and therefore a large part of our lives? Who would benefit from having a say on the way we live, think and entertain ourselves? What would they like to see in our culture?

• (1540)

What about those who recently refused to recognize us as a distinct society? Those who, under the pretext of efficient budget management, merrily slash the amounts allocated to Radio–Canada, which is already unfairly treated compared with the CBC.

There are also those who make it a point of honour, if not a duty, to duplicate the cultural institutions of the Quebec government. We will face those who are against any dialogue, any sharing of responsibilities, any co–operation despite Quebec's repeated calls for joint action.

We should blindly leave essential elements of our collective future in the hands of these people, when all their actions seem designed to neutralize the efforts of another level of government.

Thanks, but no thanks. I, for one, do not trust the supporters of this power, who are now striving to formalize a policy that never was and never will be consistent with our interests and aspirations.

Even Liza Frulla, the former Quebec Liberal minister—who is not a sovereignist—admitted that Ottawa is creating overlap and duplication by interfering in Quebec's cultural affairs.

This government, with its centralizing federalism, knows full well that whoever controls the means of expression of a culture also controls its vitality, energy and creative power. Let us not give Ottawa the privilege of imposing its ideal cultural order.

It has long been proven that no one is in a better position than the Government of Quebec to develop a cultural policy based on the real needs of its people.

Until Quebec has acquired its full political sovereignty, others will decide what should go into our creative endeavours. The Bloc Quebecois, which is waging a continual struggle for the integrity of Quebec culture, cannot support Bill C–53, which is contrary to the legitimate intentions of the Quebec government in this field.

By creating this Department of Canadian Heritage, Ottawa is proving that it clearly intends to keep and even increase its ability to act in this sector which is crucial for the development of Quebec's cultural identity.

In this country, where francophones start to be assimilated from infancy, I feel nothing positive about creating a Department of Canadian Heritage. It is simply an expression of the federal government's harmful centralizing designs on Quebec.

Therefore, Mr. Speaker, you will understand that I wholeheartedly support the amendment moved by the Bloc Quebecois member for Rimouski—Témiscouata.

[*English*]

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I am happy to have just a couple of minutes this afternoon to discuss the bill in front of us dealing with the Department of Canadian Heritage.

I am the critic for aboriginal affairs for the New Democratic Party. In that capacity I have had a number of dealings with the Department of Canadian Heritage. The department inherited a number of the programs from the former secretary of state which dealt with aboriginal people, their programs and activities.

One of the programs that the department has inherited that has bothered me in its response for some time has been a program dealing with aboriginal education. I wanted to take the opportunity here, with the minister in the Chamber and the debate on this bill, to bring to members of this House and to the minister's attention some correspondence which I received in recent months concerning the treatment of aboriginal people by the department. When government asks members of Parliament for approval to do anything with relation to the department I think it is important that we understand some of the ways in which the department has responded to us in the past.

I have in front of me a two paragraph letter, in fact the paragraphs are reasonably lengthy, addressed to me from the president of the Saskatchewan Indian Cultural College.

• (1545)

I would like to read the two paragraphs. The president of the Saskatchewan Indian Cultural Centre is Linda Pelly–Landrie. She writes:

> The Federation of Saskatchewan Indian Nations and its affiliate institutions, Saskatchewan Indian Cultural Centre, Saskatchewan Indian Federated College and Saskatchewan Indian Institute of Technology have been actively seeking the financial resources required to develop curriculum for our First Nations. While various government departments have acknowledged that First Nations instructional and resource materials are essential to the retention and achievement of First Nations students, all contend that they are not adequately resourced and cannot finance our projects. Yet, the Department of Canadian Heritage has offered $500,000 to Mondia Editeurs and an affiliate, Micro Intel, two non–aboriginal firms out of Montreal, a contract to develop CD–ROM curriculum materials pertaining to the aboriginal peoples of Canada.
>
> Enclosed please find correspondence relating to the project proposed by the Department of Canadian Heritage. We ask that you review this material carefully and intervene on our behalf. Not only is offering a contract of this nature to non–aboriginal firms contrary to the government's commitment to the First Nation's inherent right to self–government, it is an insult. Adding to the insult is the demeaning and paternalistic manner in which the Department of Canadian Heritage has dealt with First Nations representatives on the project. We are the experts in determining First Nations curriculum content and the most capable of managing and controlling a project of this nature. Furthermore, we have demonstrated expertise in developing and producing quality instructional materials. Therefore, it is our contention that this project should be contracted and controlled by a First Nations institution organization.

I want to quote from a couple of paragraphs of a letter that Ms. Pelly–Landrie wrote to the hon. Minister of Canadian Heritage earlier this year on the same project. In the letter she indicates that the cultural centre had met earlier in the year with the minister of Indian affairs with a proposal for resources to develop curriculum programs for First Nations people. They were informed that the financial resources were extremely limited and that their project request could not be met.

She goes on in her letter to the minister to indicate that the awarding of the contract for half a million dollars to the non–aboriginal group in Montreal is most objectionable:

> Projects of this nature should be awarded to aboriginal people to promote the principles of Indian self–government and to encourage true partnerships between the federal government and First Nations governments.
>
> We believe that First Nations have contributed significant changes to education. Indian control of Indian education is a principle to which all First Nations continue to strive for, as the ultimate goal to educational change, and improvement. The federal government must also be respectful of our commitment to develop and implement education for our people.
>
> I trust that you will take immediate action to review this proposed project, and that measures will be taken in the future for the full involvement of aboriginal people to determine the development and implementation of such projects.

These letters seem to have been ignored by the minister and the department. The project was awarded to the non–aboriginal firms.

At the same time as Ms. Pelly–Landrie's letters were being circulated, another letter in support of the Saskatchewan centre has been drafted and sent to the minister from the Federation of Saskatchewan Indian Nations, the Indian governments of Saskatchewan, signed by vice chief E. Dutch Lerat of Saskatchewan.

• (1550)

The letter deals with this particular CD–ROM project and the treatment received by the aboriginal community on its request:

> The First Nations of Canada have political and institutional structures which represent them on all matters of intergovernmental nature.
>
> The First Nations are nationally represented in all such matters as languages, curriculum and cultural heritage by the First Nations Cultural Centres Executive Council (FNCCEC) of the Assembly of First Nations.
>
> Your Department, over the strenuous objections of the First Nations of Canada, has recently awarded a contract for Aboriginal Curriculum Development to a non–Indian Business—Mondia Editeurs of Montreal.

The project involves a computerized Aboriginal Curriculum Project referred to as CD–ROM.

The First Nations have been invited to participate on a sub–contractual basis for a minuscule portion of the contract, although this is not the real issue I wish to raise.

In the pre–election Liberal Party Aboriginal Platform announced by the Prime Minister on October 8, 1993, your Government made a number of important commitments.

Two of those commitments are directly applicable to this issue:

"A Liberal Government, with the participation of Aboriginal Peoples, will establish an Aboriginal Educational Institute and networking facility that will co–ordinate and build upon initiatives in Aboriginal Curriculum Development for Aboriginal and Non–Aboriginal Schools, Standards, Development, Distance Education, Aboriginal Languages, Teacher Orientation and the Special Needs of Many Communities such as Literacy, Adult Basic Education and Special Education".

"The Liberal Platform on Aboriginal Economic Development includes measures such as procurement policies that stimulate the growth of Aboriginal Businesses".

An example given with respect to this policy goes on to state:

"A fixed percentage of Federal contracts be allocated to competent Aboriginal Government and Businesses".

I must seriously challenge your commitment to the Red Book Policies in light of the way in which your Department has handled this matter. The entire integrity of your Aboriginal platform is seriously called into question.

A key point of contention surrounding this contract is that your officials have ignored the competency of existing First Nations Institutions and Businesses—for example, the Saskatchewan Indian Cultural Centre, an accredited member of the Saskatchewan Book Publishing Association and, in fact, the current Chairman of the Association is a staff member from our Cultural Centre.

First Nations must be given first consideration in all matters related to Aboriginal Curriculum and Cultural Projects including the application of Technology such as that represented by the CD–ROM project.

In conclusion, I read from the the concluding paragraphs of the letter sent to the minister earlier this year:

The question now that arises, then is, how can there be money for a non–First Nations organization to develop First Nation's curriculum when there is none for our First Nations?

I think it is very important in our consideration of the Department of Canadian Heritage that we examine carefully the ways in which the department and the ministry are treating the people of aboriginal descent in our country and respect the wishes of the aboriginal community in developing a strong aboriginal curriculum that meets its needs as brought to the minister by the community.

I believe this is an important matter that requires the attention of all members and I thank the House for its time this afternoon.

• (1555)

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

**Some hon. members:** Question.

**The Acting Speaker (Mr. Kilger):** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Acting Speaker (Mr. Kilger):** All those in favour of the amendment will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

[*Translation*]

**The Acting Speaker (Mr. Kilger):** Call in the members.

*And the bells having rung:*

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 45(5)(*a*), the chief government whip has asked me to defer the division until later.

Pursuant to Standing Order 45(6), the recorded division on the question now before the House is deferred until Monday, November 14 at 6.30 p.m., when the division bells will be rung for not more than 15 minutes.

The hon. chief government whip has the floor on a point of order.

**Mr. Boudria:** Mr. Speaker, I think that you would obtain unanimous consent from the House to defer the vote that was to take place at 6.30 p.m. Monday until Tuesday, November 15 at 5.30 p.m.

**The Acting Speaker (Mr. Kilger):** Is there unanimous consent for the chief government whip's proposal to defer the vote?

**Some hon. members:** Agreed.

[*English*]

**The Acting Speaker (Mr. Kilger):** The vote will be deferred until Tuesday, November 15 at 5.30 p.m. Is there unanimous consent?

**Some hon. members:** Agreed.

## YUKON SURFACE RIGHTS BOARD ACT

The House resumed from November 1 consideration of the motion that Bill C–55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other acts in relation thereto, be read the second time and referred to a committee.

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, I rise today to address Bill C–55, the Yukon Surface Rights Board Act. This bill is essentially a matter of legislative housekeeping and as such contains little of substance to either support or oppose.

However, I would like to take some time to address some of the bill's shortcomings and even its positive attributes.

As everyone in the House well knows, this bill is the companion legislation to Bills C–33 and C–34, two bills which the Reform Party strongly opposed. Our detailed reasons for the opposition to those bills are well documented from debates at the committee level and in the House so I will not revisit those arguments.

• (1600)

However I would like to renew our opposition to the way the government first conceived and then rammed those bills through the House. In case anyone has forgotten, Bill C–33 and Bill C–34 were negotiated over a period of some 20 years, a period of closed door meetings and backroom deals typical of our old governments and old political parties.

To make matters worse, the government then stifled debate in the month of June in the House by evoking time allocation. This entire process was wrong, indeed shameful. It was wrong for the government not to include Canadians and interested third parties in the negotiations. It was wrong for the government to proceed with debate just 24 hours after the voluminous bills were first tabled in the House. It was shameful for the government to limit debate on such crucial pieces of legislation.

Unfortunately this type of action appears to be the rule rather than the exception when it comes to legislation affecting native or aboriginal land claims settlements.

Just over a year ago, in June 1993, another shameful government with the concurrence of the Liberals and the NDP in opposition took the very same tack with Bill C–133. They passed that bill in one day in the House. There was only one member of the House who stood to speak against it. That bill resulted in the creation of Nunavut, a new territory encompassing one–fifth of the Canadian land mass. With one–fifth of Canada at stake because of Bill C–133 the House, with the concurrence of all political parties, took one day to pass it. There was no debate and no public input. That is a shame.

The Reform Party agrees with the need to correct past injustices and to treat aboriginals with the same respect and dignity afforded to all other Canadians, but we do not agree with the means chosen to accomplish this end.

I said at the start of my address that I would also touch on some of the positive aspects of the bill. They are few and far between, but I have found at least one such example. To its credit the Department of Indian Affairs and Northern Development has in fact consulted with the mining industry on Bill C–55. I know this because our critic in this area has also consulted with many interests with regard to the legislation.

Through our discussions it was learned that changes to the bill were made at several stages based on input from the mining industry. That is good news. It is indeed encouraging, especially given the rough ride the mining industry has received in recent times from all levels of government.

I might also add that I hope this spirit of co–operation will continue into the future and expand beyond the borders of Yukon to my own province of British Columbia where the interests of the mining industry have been forced to take a back seat to every lobby group with an axe to grind.

At any rate I commend the government for its consultative approach. However I also know that the mining industry is not entirely happy with the legislation in Bill C–55 or with its companion Bills C–33 and C–34.

• (1605 )

While all these pieces of legislation are far from perfect, the uncertainty is over, an uncertainty which has stifled investment in Yukon for more than 20 years. At least the legislation defines the playing field and although that field is still uneven it is a field that can now be played upon.

Another area of concern with the legislation on the creation of Yukon surface rights board is the question of appointments. The board will be appointed by the minister and therefore of course has the potential to become a patronage hotbed.

Appointments to the board must be made according to merit. Individuals with the qualifications and the expertise to make sound, logical decisions must be the ones appointed to the board; not simply those individuals with the oldest Liberal membership card or with the largest campaign contribution, appointments that would compromise the entire process and throw the rulings of the board into disrepute. We cannot emphasize too often that patronage appointments must go. We must cease and desist on all of them, whether it is the immigration board or this particular one on Yukon surface rights.

The board will also have the power to decide which cases it will hear. Its rulings will be final, binding and enforceable through the Supreme Court of the Yukon territory. This is a great deal of power which must not be placed in the hands of a few political friends and insiders. The Reform Party will be watching appointments to the board with a keen interest to ensure that such abuses do not occur.

I have already outlined the callous way in which the democratic process was subverted during the conception and births of Bill C–33, Bill C–34 and Bill C–133 a year ago. This bill is an extension of the process and therefore must be viewed with a healthy degree of scepticism. However we can take some solace in the hope that the government has learned and is learning from its past mistakes.

I would also like to urge the government to follow in the footsteps of my own province, British Columbia. I speak of Premier Harcourt's public pronouncement of September 20 when he stated several principles for openness in land claim negotiations. The principles enunciated include that open negotiations must be the starting point and closed negotiations the exception. The next point made was that all British Columbians must have the opportunity to provide meaningful input into the negotiating process.

His next point is that the negotiators' bottom lines would be made public and that the provinces would pursue the most effective means of opening up and sharing information about negotiating sessions as widely as possible. Finally the mandatory sign off of all treaty settlements would be made by the B.C. legislature.

In this regard I have to say on a parallel track that I had the occasion to meet with the federal negotiator for Vancouver Island on native land claims and with the British Columbia negotiator. The two gentlemen met in my constituency office a month or two ago. If I can take them at face value, we are going to have open negotiations with native land claims and they are actively soliciting input from the general public. I truly hope this is so. If I take them at face value it is so. I hope that is the way we are going. If we are, the future looks much better than it has for some time.

• (1610)

The people of Canada deserve no less from their federal government on these important issues. The old closed door negotiations, complete with mandatory confidentiality clauses and no public input, only breed hostility and undermine public confidence in the process. The public too wants native land claims to be settled justly for all parties.

Bill C–33 and Bill C–34 are classic examples of old style politics. Admittedly Bill C–55 was conceived under less dubious circumstances, but it is still somewhat tainted by the earlier process.

In finishing I urge the government to carefully consider the comments made here today and the comments my colleagues will make. I hope the government will heed this advice as we head down the road of aboriginal self–government.

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, it gives me great pleasure to rise today to speak on Bill C–55, an act to establish the Yukon Surface Rights Board.

I do not speak often on aboriginal matters but I thought this bill merited comment. In fact the last time I spoke on aboriginal matters in the House was to argue for an amendment to the private member's bill which declared ice hockey as Canada's national sport. The amendment which was accepted declared the great aboriginal sport of lacrosse to be Canada's summer national sport.

Aboriginal issues are important to me in particular and should be important to every member from British Columbia. As we know, most of the territory of the province of British Columbia is the subject of some form of land claim by our aboriginal peoples. It is my belief that the precedent set in Yukon may become the precedent for settling claims in British Columbia. Therefore it is important for me to address these issues.

I have a few preliminary comments to make before I get into a detailed discussion of the clauses of the bill. The bill is the third in a trilogy of bills dealing with the settlement of land claims in Yukon. The Reform Party opposed the first two bills which established the settlement of the land claims. Logically, therefore, we oppose Bill C–55 which establishes the mechanism to implement these settlements, or alternatively to settle disputes relating to the claim.

I understand the feeling that a mechanism should be found to resolve disputes without the necessity of going to court. Courts are expensive. Justice usually is not swift. However this leads me to make two comments.

First, perhaps the inefficient slow moving courts would be useful in these circumstances because the possibility of going to court would be seen as such a detriment that settlements may be more easily achieved by the parties involved. I think that is what we would want. Perhaps in this instance the threat of going to court is one to be preserved, not put aside.

My second point deals with the courts themselves. If the courts are in such a state that even the government does not want them involved in settling disputes of the kind presented by the Yukon land claims, maybe we should take a hard look at reforming the courts of the country.

Courts were established to settle disputes between parties. They exist. The infrastructure is there. The salaries of those involved are already paid. Why should we not then use them to settle disputes such as the ones presented here? If the courts because of inefficiencies are not seen to be the appropriate vehicle then maybe we should streamline our judicial system

instead of establishing a new board. We should address reform of our civil law courts.

However I realize that judicial and court reform will not happen before the bill is passed. The government has a majority in the House. We will soon be stuck with the Yukon Surface Rights Board. For this reason I wish to make the following general comment.

• (1615)

I particularly wish to address the fact that this board will only deal with disputes after the parties themselves, the people involved in the dispute, have failed to reach an amicable solution. How will the board know the parties have failed to reach such a solution? Would it not be better if representatives of the board met with the parties prior to the parties going to the board? Such representatives could work with the parties in order to achieve an amicable settlement.

I am suggesting a two step process. In this two step process the first step would be the disputants contacting the board requesting mediation or help from a representative of the board. A representative or a staff person, not a board member obviously, would be dispatched to meet with the parties. If this person was not effective in helping the parties resolve the dispute then the matter could go to the board for a hearing.

Such a two step process, first by mediation with the help of the board representatives and second by a a board hearing if mediation failed, might tend to speed up the process. Let's face it, a board such as this will build its own bureaucracy. Let us give these people something to do beyond shuffling paper. They could engage in mediation.

I wish to comment on some of the provisions of this bill which are especially disturbing to me. My first point, perhaps not surprisingly, is on the subject of clauses 8 to 15 which deal with the establishment and organization of the board. Some of my colleagues have commented on these clauses so I will keep my comments brief.

The composition suggested in the statute seems to be a recipe for divisiveness and eventual disaster. Half of the members other than the chairperson are to be appointed by the Council for Yukon Indians, the others by order in council on recommendation by the minister.

I hope it works and I wish those who designed this all the luck in the world. It seems to me that we are putting forward the possibility that the Council of Yukon Indians is simply going to become the judge of its own causes, conflict of interest or, if not the judge, then certainly an interested party at all hearings. Virtually all disputes will involve one or more bands of Yukon Indians. Yukon Indians will be in a position of strength on the board and there is the possibility of block voting. As well we are establishing another organization to which Liberals can appoint Liberals. Surely we have enough of those already.

It might be more appropriate to mention here that the Government of the Yukon Territory should have input into the selection of the board members. Perhaps even the chairperson and some of the board members should be appointed through a nomination of the Government of the Yukon Territory. The rationale would be similar to the territorial government being more likely to appoint people who represent the interests of the public at large than is the minister who might appoint Liberals. They could be Liberal loyalists and probably will be who might stack the board full of members of one politically correct interest group. The Yukon government is considerably closer to the people of the Yukon than is the minister. Hence it is far less likely to make poor choices.

Barring the selection of board members through that process I offer an idea for a second selection process. The membership of this board could be appointed by the minister but on the approval of all three parties in the House of Commons. If the minister does not agree to appoint the whole board in this fashion at least the chair of the board should be approved by the two opposition parties in this House.

I also do not like the fact that we are setting up another body to be paid out of the public purse. Surely if the Minister of Indian Affairs and Northern Development had been listening recently to the Minister of Finance he would know how badly in debt the country is and how we cannot afford any more expenditures.

Clause 19 gives the board the power to hire staff and consultants. Here we go again. We just cannot afford to give this kind of blanket authority without limiting the numbers to be hired. As well under clause 21 the board can acquire personal property in its name and dispose of it. This may be all right if we are talking about furnishing an office, but it might not take too long for this to be stretched into a major acquisition program. There should be some stipulation as to what the personal property is to be used for.

Clause 23 deals with the financing of the board. We on this side of the House would feel more comfortable if the matter of annual financing was referred directly to the Standing Committee on Aboriginal Affairs. I know it will be contained in the estimates, but we want to know specifically the moneys allocated to the board and how they are spent.

• (1620)

Clause 24 of the bill requires that the board report to the minister upon his request. I would suggest that this clause be

changed so that the board reports to the minister on an annual basis and that these reports be tabled in the House of Commons and referred to committee.

Clause 26 on the subject of jurisdiction does not refer to the fact that the board should exercise its authority observing the rules of natural justice. Interestingly, this is one of the grounds for the appeal of ruling by the board, but it is not specifically listed as a requirement for its hearings. For greater certainty this requirement should be spelled out.

Clause 40 gives the board the right to set fees. I am torn between suggesting that the fees be low enough so as not to prohibit anyone from taking advantage of the jurisdiction of this board or suggesting the fees be high enough to ensure the board pays for itself. I find my last suggestion to be quite interesting even though it comes from me, and in keeping with my remarks on the affordability of this board, perhaps we should pursue it.

Clause 41 requires the rules made by the board to govern its operation to be published. I think this is a good requirement. However I am concerned that there may be significant disagreement among the stakeholders regarding particular rules.

I believe a method should be found by which these rules could be objected to by major groups and a hearing held on the fairness of the rules. Perhaps the board itself could hear these complaints.

Clauses 42 through 64 contain many areas which would better be the subject of discussion in committee. These clauses describe the main tasks which will be undertaken by the board. I am sure representatives of my party will have comments to make on them as the committee proceeds to clause by clause analysis.

Clauses 74 and 75 give the board the final authority in relation to findings of fact and establishing an appeal procedure to the Yukon Supreme Court. I hope this right of appeal is not abused. We are looking here for quick settlements and the board is established to effect such settlements.

It would be counterproductive to allow too many appeals to the courts. Also in relation to the issue on some judgments, perhaps the minister could consider placing a limit on the time the board has to make a decision, perhaps 30 days from the time the case is concluded.

Clause 79 gives the governor in council authority to make regulations dealing with the board. Again, as with the rules of the board, a procedure should be suggested whereby these regulations could be the subject of objection by the major stakeholders and the objections heard and subsequently dealt with.

Finally, I would suggest that this bill contain an automatic review clause so that we can be assured that it will come back before us so we can assess how effective it has been; perhaps a review in three years.

We are opposed to this bill. It has many deficiencies, but most of all the content is wrong. There should be no need to spend taxpayers' money to set up a body which is designed to do what courts are in existence to do, resolve disputes.

**Ms. Margaret Bridgman (Surrey North, Ref.):** Mr. Speaker, I too would like to reiterate some of the comments my colleagues have made and possibly some new ones on Bill C–55.

As we are aware this is the third component of the package in relation to the Yukon First Nations Land Act claims settlement and the Yukon First Nations self–government. This particular bill is essential for the effective implementation of the other two acts. It mainly addresses the federal government's legal requirements to facilitate these other two acts coming into force.

This bill is to establish a board of directors that will handle disputes that occur. These disputes could involve three different components. They could involve owners of settlement lands or owners of non–settlement lands and of course businesses that would be involved. There are three components the board will be facing in relation to disputes. The other main aspect of this board is the determination of compensation in relation to the expropriation of settlement lands.

• (1625)

The orders of course from this board are binding. The board is not going to address disputes unless the two parties or three parties involved have tried to come to some sort of a mutual agreement before this. Should that not occur it will come to the board. Therefore, the board is actually in an arbitration kind of situation and its decision will be binding. Except for limited reasons, it can go to the Supreme Court of the Yukon Territory.

This brings us to the structure of the actual board which I have some concerns about. I realize that my colleagues have touched on some of this, but I think they are important enough to reiterate to some degree. Clause 8(1) of the bill gives us an overview of what the board will consist of: a chairman and not less than two members and not more than ten other members. That would make a possible total of 11 members including the chairman. All these members would be appointed by the minister.

There are some conditions that apply on these appointments. Clause 8(2) indicates that the minister must establish a board of an odd number. That I would assume includes the chairman so that the board would also consist of an odd number of members.

Clause 9(1) indicates that the chairperson is appointed by the minister but on the recommendation of the board. Clause 9(2) addresses the other members. It could be up to 10 members. It indicates that half of those members would be appointed by the minister based on nominations from the Council of Yukon Indians and the other half would be appointed by the minister. It does not indicate where the nominations or the suggestions for those appointments would come from.

To round this up, clause 10(1) indicates that a majority in both of these components, those nominated by the council and those appointed by the minister, must consist of members who reside in the Yukon Territory.

What this to my mind does is put the board in a position of being two components, one being suggested from the Council of Yukon Indians and the other from the minister, wherever those suggestions may come from. This in itself may divide the board. Also, the chairman of the board who is appointed based on recommendations from the board could put the balance of power on the board in either component. For example, if the chair was someone who was appointed by the minister then the bulk of the members on the board would be members appointed by the minister. If the chair happened to be someone who was a nominee from the Council of Yukon Indians then the balance of power would be on that side.

I question why the chairman has to be appointed by the minister based on the recommendation of the board. To my mind that suggests a veto power by the minister. It would seem that the board could elect its chairman instead of making recommendations to the minister to appoint it.

The other concern that comes out of that composition would be the right or opportunity for patronage appointments. Another concern would be that somewhere in the bill I believe it says that disputes do not have to be handled by the full board. We can subgroup the board into panels of three or more and handle the disputes based on that. Again we will look at the composition of the panel. Having these two components on the board, what is the composition of this panel and how they are selected is a very grey area.

Another way of looking at the composition of this panel could be from a representation of the players involved, i.e. the three components: the businesspersons, the owners of non–settlement land or the owners of settlement land. One could possibly pursue having representation of these three components. Another way of looking at it would be representation from the two components, the membership from the Yukon council, or those appointed by the minister. That is a very grey area.

• (1630)

The fact it does not indicate how these panels are composed or selected is also something that should be addressed possibly at committee. It could be based on members available at the time. It could be members in town at the time or whatever. Again it could become a lopsided membership based on these two components.

Another point that comes up would be term of office of the membership. Either clause 12 or 13 indicates that a member can stand for any number of terms. The appointment is for a three year period and then you can run again. There is no limitation. You can run for this as long as you are appointed and it can be any number of years. That in itself may not be a problem but it should be looked at to see if there are any parameters or situations that may pose a problem.

I would like to offer some suggestions on board membership. Again one of my colleagues mentioned that appointments, if that is the route we choose to go, should be made on merit or some criteria other than just being appointed by the minister. There should be some criteria in there. If that becomes the case we would definitely like to see merit included.

Another way of looking at it would be to possibly elect this board as we do school boards or something along those lines. That brings up of course that we may have to have candidate qualifications so that all sides have representation depending on how you wish to look at it.

It does not necessarily indicate that the panel composition would indeed be three members. It could possibly be any number of members, but of course it cannot exceed 11 which would be a full committee. It also does not seem to indicate that the panel would be an odd number. That should be looked at as well.

Another thing to look at is the concept that this board will be independent from government. The way it is structured it certainly does not imply that is going to occur. Two main things come out that are very suggestive it will not be independent from government. Unless you get into the fine print of it or whatever and really search for a method as to how it is independent these two things come front and centre.

One is that if it is funded by the government and if all the members on the board are appointed by the minister, i.e. government, that certainly does not suggest the board is independent of government. That in itself also brings up a number of possible concerns in relation to one's membership on the board. If the minister has this kind of power to appoint or not appoint then one really does not want to be in the position of opposing the majority opinion. I think one would rather tread lightly if they wanted to continue to participate on the board.

Therefore we may in a way be inhibiting some members in participating in full debate in relation to disputes or compensation or whatever they are addressing. I see that as a potential problem. There may be some inhibition on membership participation. I would take that a step further in relation to membership and possibly clarification in these areas might help.

Clause 11(3) indicates the minister can remove for cause. It starts out that one can hold their membership on the board for good behaviour. There is really no qualification as to what good behaviour is. The minister can remove that member for cause or—not and, but or—on grounds set out in the bylaws of the board.

• (1635)

What is happening is the board can be controlled from ministerial appointment, depending as I say on what background the chairman has and can set up what is grounds for membership. It appears that the minister for cause—and I do not know where this cause is coming from, if it is going to be a set of rules and regulations, but I think clause 18 makes reference to that and that implies to me that the board may be setting up what constitutes cause. It is very, very vague. I was first and still am of the opinion that cause is for the interpretation of the minister. That area is rather loose as far as membership is concerned.

The other thing that is missing which should be included would be some sort of recourse if one is found to be in that position where membership is going to be or has been revoked. There should be some sort of recourse for an unbiased hearing into the circumstances of it.

Some tightening up is needed in those areas. Many of the clauses seem to be all–encompassing and a lot is left to assumption.

In the part that deals with meetings, one clause caught my attention immediately. That was the one that said participation in these meetings could be by telephone or some other communication device. I strongly advise when this bill goes to committee that we address the issue of having people attend the meetings in person versus a telephone conference in which there is perhaps one member sitting in the room and everybody else is on the telephone somewhere in the Yukon territory. There should be some indication as to what a quorum is for attendance in person at a meeting.

A second very restrictive clause is where the meetings can be held. I believe it states they can be held in Whitehorse and/or other areas of the Yukon. I agree that is the most sensible area in which to hold meetings as that is the area it is related to but there may be cause to hold meetings elsewhere. If we are going to look at the letter of the law, which seems to be how our justice system is looking at things these days versus the spirit of it, I suggest that we open that one up a little bit so that meetings are not only held right in that area. That is what that clause suggests.

Much of what I am saying today is clause by clause analysis of the bill which will come up in committee, but those are some of the points I wish to highlight. A number of my colleagues have come up with the same types of points and I think that speaks for itself that there is some concern in those areas.

The last item would be the statement of accounts. I did not get the impression there would be open access to these accounts by the public. I got the impression they would be well documented, that there would be a very good system of accounts, that the appropriate people would do them, that they would be reviewed by the Auditor General, and so on, and submitted to government. However there is no reference anywhere for access to these accounts on request.

With that I will close my remarks. Under the circumstances we realize this bill is the third part of the other two and it is necessary for this one to pass. However, in the composition of the bill there are a number of things that we should tidy it up before we actually put it out as the third part.

• (1640)

**The Acting Speaker (Mr. Kilger):** Before resuming 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 Notre–Dame–de–Grâce, Chemical weapons; the hon. member for Oakville—Milton, Tourism; the hon. member for Lévis, Carrefour Jeunesse–Emploi; and the hon. member for Chicoutimi, National Defence.

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, my speech will be short if not particularly sweet for those across.

As has been mentioned many times already, Bill C–55 is a continuation of Bills C–33 and C–34. This places the Reform Party and myself in somewhat of an awkward position. Any support we may give at some point on Bill C–55 should most certainly not be interpreted as support for the previous ill–conceived legislation.

During his initial presentation of Bill C–55, the Minister of Indian Affairs and Northern Development stated that just before the summer recess we dealt with the legislation of Bills C–33 and C–34. That is false. We did not do that. What happened just before the summer recess was that the Liberals invoked closure, the very thing that when they sat on this side of the House they said was such a contemptible thing. It is interesting how their perspective changes as they walk across the floor. I sincerely hope it will not change our perspective when we walk across the floor three years from now.

The legislation contained in Bills C–33 and C–34 is absolutely incredible. They place us in the position we are now when dealing with land in the Yukon. If land settlements were made with all aboriginal people in Canada on the basis of the settlement made in Bill C–33, we would be looking at a land settlement area four times the size of my province of British Columbia. I believe that is absolutely unacceptable to virtually everyone.

On the matter of the intent of Bill C–55, I would first have to state that I support the slogan of the mining industry which is: keep mining in Canada. Certainly we would want to have some settlement of land disputes in the Yukon and we would like to see this move through the House quickly. However there are many flaws in Bill C–55 which must be corrected before it can proceed.

The government talks of consultation. It even lists in its presentation the consultation that supposedly took place in the preparation of Bill C–55. This is another of the Liberals' sleight of hands or flimflams. When one says they have consulted or have provided a list of people they have consulted someone looking at that document says: "This is good. Here are all the people they have consulted with. I guess if they have used what these people have told them and come up with this, it must be okay".

There is absolutely nothing in the process of consultation especially with the Liberals that says they have listened to anything they have received as a result of these consultations. The very fact they have gone out and spoken with some people means absolutely nothing.

Recently, after coming in from a rally on these very grounds of people concerned about the impending firearms legislation the justice minister said that this government will not base its legislation on head count. In other words: "We do not care what the people say. We know what is good for them". That certainly is a problem.

Another of the problems in this bill that must be addressed are patronage appointments by the minister. Once again their perspective changes when they walk across the floor. These are the same members who sat in opposition and lambasted the former Prime Minister and the Tory party for patronage appointments. It seems however that they learned at the feet of the master. Now that they have formed the government they are anxious to show that they are bigger and better at everything, including patronage, than the former Prime Minister.

• (1645)

The appointments being made to this board are going to be made by the minister. Is that not nice? He gets to put together a little patronage haven of his own so that now people can pay homage and maybe support him so they can get one of these plum positions. The board gets to say who they want and then the chairman appoints them, but remember who put the people on the board in the first place.

I would like to remind the House, those who do not know can learn from this, of comments of a senior Liberal campaign official from a western riding who was anticipating his patronage appointment to the board of referees. When questioned on the fact that he had announced prematurely that he was getting this appointment and that it was clearly a patronage appointment, he was quoted in the Vancouver *Sun* as stating: "What's wrong with patronage? How else can we attract people to our party?" What a disgusting turn of events that we now find ourselves in, a patronage appointed board to do the bidding of the minister so that the minister can claim that the government is no longer directly involved.

What about the composition of the board? This is really interesting as well. The composition of the board is racially motivated. It is interesting. Why are the Liberals doing that? If we assume that there are going to be 10 on the board—if the minister has the opportunity to appoint why not appoint the maximum number and that way he gets the maximum benefits back—five are going to be aboriginal people and five are going to be non–aboriginal.

This brings into question first that they are dealing with all lands in the Yukon. That means that it should be Yukon people. There should not be a particular makeup that says there has to be a certain number of a certain type of people when they are dealing on land other than aboriginal land. If it were aboriginal land only, I agree that it should be aboriginal people who decide on their own land. When we are dealing with all of the Yukon it should be people in the Yukon, period.

One side asks: "Why should there be an arbitrary number of aboriginal people deciding on non–aboriginal land?" On the other hand it is argued that aboriginal people are competent. I am not arguing that. In fact they are the ones who live on the land and may in fact at times be the best qualified to make the decision for land use in the Yukon. Why then should the board be limited to five aboriginal people if in fact they may be the best qualified people? If seven of the best qualified people are aboriginal, why should two of them be denied so that it can go the other way, just the same as it works in reverse.

The final point that I have some concerns about is access to court. In the document it narrows and extremely limits access to court on appeal from the outcome of this board belonging to the minister of Indian and northern affairs. Why would one want to limit a person's access to court? Obviously the Liberal government is sort of predisposed to that. We have already seen the Minister of Transport do that in the Pearson deal.

It comes to a matter of property rights—

**Mr. Milliken:** Very wisely.

**Mr. Gouk:** Oh, yes, very wise indeed. Of course the more control you have, the more you can put in your own patronage people and have things the way you want totally unchallenged.

**Mr. Milliken:** You and the Tories wanted it.

**Mr. Gouk:** We have property rights in Canada, at least we think we do. The reality is we do not have any property rights at all. All land belongs to the government. All we have is the right of continued possession. If the government starts limiting our access to the court, the government can bring out more and more arcane laws all the time and have its own people in place and ram them through, no access to the courts, no appeal.

There are many flaws in this bill. I trust sincerely that if this bill makes it to the committee that the Liberals will do what is right. They will correct these injustices in the bill. They will start dealing with the accusations they made when they were on this side of the House. They will get rid of patronage. They will

get rid of all the other ill–tasting things that are in this bill and bring out something that is legitimate, meaningful and justifiable to the people of the Yukon.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have a short question that I would like to put to the hon. member.

He is opposing this bill as is his party. It seems to me that every time the government has brought forward a bill dealing with aboriginal claims or aboriginal interests or dealings in land in any area that is inhabited by aboriginal peoples in this country, he and his party members have opposed the bill.

• (1650)

I wonder if he is in a position to reconsider his party's opposition and realize perhaps their opposition is not based on reason but on a bias or prejudice that is coming through in opposition to these bills. Would he not want to rethink his policy and take a little more fair view of the entire thing and realize that this bill is in fact good for the Yukon territory as was the case with the two previous bills which we heard announced earlier this afternoon in another speech and turn it around and support this legislation?

**An hon. member:** Good question.

**Mr. Gouk:** Mr. Speaker, it is interesting that whenever the Liberals take a page out of the Reform policy book to introduce legislation, they always seem to take only half a page and get it wrong.

It seems that when the hon. member listened to my presentation he only listened to half of it. I would first point out that he should check back in his records on the Split Lake agreement and see which way the Reform Party voted on that.

Second, I would point out that I said here that there is a bias, not by the Reform Party but on the part of the government on the racial makeup of the very board we are discussing here. It is limiting the number of people from any one race, and that includes the aboriginal people. If they are the best qualified, why are they limited to 50 per cent of the board? If they are the best people, let them be the the major part of the board. It is only because the minister wants to have absolute and complete control.

We need something that is fair and totally honest. We are not going to have honesty when those numbers on the committee are both manipulated and appointed as personal patronage plums of the minister of Indian and northern affairs.

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, I am only going to speak briefly with respect to Bill C–55 because like much of this government's legislation it resembles the Bishop's egg. It is excellent in parts, but it contains a lot of tainted material.

The administrative clauses of the bill are well drafted. They are quite similar to legislation in some provincial jurisdictions. The rules are comprehensible. I am perfectly aware that many mining industry executives regard acceptance of C–55 as preferable to continued regulatory uncertainty.

Having worked in that industry for many years, I think I understand the corporate mind. If a company is effectively blocked by bureaucratic stalemate, it will accept almost any compromise in order to survive. As the crofter said: "It is better to sleep with the devil than to lie a'cold".

My objections to the bill are based on the proposed composition and terms of the reference of the Yukon surface rights board. Like its evil older sisters, Bills C–33 and C–34, this bill is tainted by racial bias. The board will consist of a chairperson and from two to ten other members. Since these will be prize patronage appointments you can be sure that the higher number will prevail. At least half of the members shall be appointed, and I quote: "on the nomination of the Yukon Council of Indians" or to express it more crudely and directly: "They shall be Indians". As my hon. colleague has just said, this is a double–edged sword. Not only is it expressly directed that five members of a ten member group shall be Indians but it is also expressly directed that five of them shall not be Indians.

I thought I lived in Canada. Can anybody imagine the uproar that would ensue if the articles of a quasi–judicial provincial board, let us say in Ontario, required that a certain percentage of its members be Caucasian?

Just in case the board is not sufficiently biased, there is provision in clause 23 of the bill to budget funds for and again I quote: "cross–cultural orientation, education and other training". That is to say for social brainwashing.

• (1655)

Perhaps in so far as the board's duties will deal partly with disputes involving native settlement lands, a little well–intentioned genetic bias can be justified, but why in the name of common sense should the colour of a person's skin determine eligibility to rule on disputes concerning non–settlement lands, that is to say on public lands?

Even if the biases were applied only to settlement lands, it should be remembered that the board will arbitrate compensation for expropriation of these lands. Yet half of its members are required by law to be beneficiaries of such compensation. Does that make sense?

Remember, this unaccountable board will have wide ranging powers and its decisions will have the force of law. Should not its independence be protected?

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

**Some hon. members:** Question.

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

**Some hon. members:** Yes.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Kilger):** In my opinion the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 45(5)(a), I have been requested by the chief opposition whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(6), the division of the question now before the House stands deferred until Monday, November 14 at 6.30 p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes.

**Mr. Boudria:** Mr. Speaker, I would invite you to seek unanimous consent to determine if we could defer this vote until Tuesday at 5.30 p.m.

**The Acting Speaker (Mr. Kilger):** Is there unanimous consent?

**Some hon. members:** Agreed.

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## SOCIAL SECURITY PROGRAMS

The House resumed from November 1 consideration of the motion that Bill C–54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, be read the second time and referred to a committee.

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, I am very pleased to have an opportunity to speak on Bill C–54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act.

When I first had the chance to review the amendments contained in this bill it was immediately apparent that a good deal of time and effort have gone into determining ways in which the application rules for income security benefits could be made more flexible.

It is obvious that clients have complained about some of the application requirements and certain restrictions in the current legislation. Undoubtedly each of these requirements or restrictions had a reason for being at the time they were introduced. However, by listening to the public the government has found ways in which both the client and the integrity of the programs can both be well served.

• (1700)

I am pleased to have the opportunity to highlight some of the amendments where this is most obvious. Under the Old Age Security Act the 60 to 64–year old spouse of a low income old age security pensioner can, on application, receive the spouse's allowance benefit. Also eligible for this income tested benefit are low–income widowed persons in the same age group.

The only requirement for the spouse's allowance apart from age and income is that the younger spouse must have lived in Canada for a minimum of 10 years after age 18. Because residence is a qualifier for the spouse's allowance benefit, applicants for the allowance provide a history of their residence in Canada after age 18 and up to age 60.

When spouse's allowance recipients turn age 65 they become eligible for the old age security pension in their own right. However, the amount of their old age security pension is dependent on the total number of years they have lived in Canada after age 18. For those who were in Canada prior to July 1, 1976, 10 years of residence in Canada immediately prior to age 65 entitles them to payment of the full pension.

For those who came to Canada after July 1, 1976 the amount of their pension is equal to one–fortieth for each year they resided in Canada after age 18.

For the most part the administration knows from the information provided on the spouses allowance application combined with the payment history of the spouses allowance how many years of residence the client has at age 65. Therefore it is possible to calculate the old age security pension entitlement without going back to the client.

Currently, however, the client is required to apply for the basic old age security pension and to provide the administration with much of the same information and documentation that the individual provided with his or her spouses allowance application.

Given that in the majority of cases the administration already has the spouses allowance recipient's residence history in Canada the requirement that this individual apply for old age security is unnecessary.

Therefore I am pleased to see that this bill proposes to give the Minister of Human Resources Development discretion to deem an old age security application to have been made by the 64–year old recipient of spouse's allowance. In addition, given that the administration already has the income information it requires the income tested guaranteed income supplement form will also not be required for the remainder of the GIS payment year.

Approximately 20,000 recipients of the spouse's allowance turn 65 each year. As the majority of these clients have lived in Canada for the required number of years to receive a full old age security benefit, this amendment will benefit a great many people.

This automatic conversion from spouse's allowance to old age security is not a new concept. Currently under the Canada pension plan 64–year old disability recipients do not have to apply for their retirement pension to commence at age 65.

A Canada pension plan retirement application is deemed to have been received because the administration already has the information necessary to put a retirement pension into play.

I am pleased that we are now offering the same quality service to 64–year old spouse's allowance recipients.

Another provision of the Canada pension plan is also being mirrored in the amendment in this bill which recognizes that some individuals because of incapacity are unable to apply for their old age security benefits on time. Specifically, the minister will be able to deem an application to have been received earlier than it actually was received if the lateness is due to incapacity.

Benefit entitlement to the basic old age security pension and the income tested guaranteed income supplement and spouse's allowance is contingent on an application being made for these benefits.

If this bill becomes law retroactivity for all of these benefits will be a consistent 12 months. Therefore anyone applying more than 12 months after the first month in which they could have received benefits loses some benefits.

For the most part a limited period of retroactivity is considered fair.

• (1705)

Individuals have a certain responsibility to come forward in a timely manner to receive their correct benefit entitlement. However, there are cases in which the individual is mentally or physically incapacitated and this incapacity renders them incapable of making an application. Unless these individuals are fortunate enough to have someone who realizes that application can be made on behalf of such an incapacitated person, benefit entitlement can be lost.

The amendments in this bill would allow the minister to deem an application to have been made by or on behalf of an applicant. This would only apply if the applicant were at the time of application incapable of forming or expressing an intention to make an application.

As I noted earlier, the Canada pension plan already has such a provision and this important protection is now being proposed for old age security clients as well.

Another very interesting amendment contained in this bill would allow old age security pensioners to cancel their benefit entitlement. On the face of it one wonders why such an amendment is necessary. Surely if someone does not want the benefit all they have to do is not apply. For the small number of individuals who do not want to receive the old age security pension the majority do not make application. However, in some cases it is only after becoming a pensioner that an individual decides that he or she no longer wants to receive the old age security benefit. The current legislation, because it does not provide for benefit cancellation, cannot accede to these requests.

As I am sure most people will agree, someone should not be forced to take the application they do not want. Therefore this bill would allow individuals to cancel their benefit. However, recognizing that circumstances can change, the bill will also make provision for a cancelled benefit to be reinstated if the pensioner should subsequently change his or her mind. The reinstatement would be effective the month following the month the request for reinstatement was made. A pensioner would be reinstated on the same calculation of residence that had been used when application for the old age security pension was first made.

A very similar type of amendment is also being made to the Canada pension plan. Currently the Canada pension plan allows for an assignment of retirement pensions between spouses in an ongoing relationship. A Canada pension plan retirement beneficiary whose spouse is over 60 and receiving any retirement benefits he or she is entitled to under either the Canada or Quebec pension plans can apply for and receive a share of the retirement benefits they both earned during the course of the marriage.

The legislation currently provides that the assignment ceases on the death of either spouse, on the twelfth month following the month the couple separates, the month the non–contributing spouse becomes a contributor or the month a divorce or annulment of marriage is finalized. Therefore, even though pension assignment is done at the request of the couple, the couple who remains together cannot cancel the assignment.

While the administration has received very few requests for a pension assignment to be cancelled, there is absolutely no good reason this should not be allowed. Therefore, I am pleased that this bill provides for cancellation at the written request of both spouses.

This type of amendment emphasizes that the government is listening to what clients want and what they have every right to expect.

The last amendment I want to deal with is another obvious example of listening to the desires of clients. As I am sure we are all aware, the Canada pension plan was amended in 1977 to provide for a division of pension credits between spouses should the marriage end in divorce or annulment. While these provisions have been extended and improved over the years, the amendment I want to talk about has to do with limitations that only existed up until 1987.

Specifically because the administration had no experience with this type of provision in 1977 the division of pension credits earned by both spouses under the Canada pension plan during the course of the marriage was only allowed if very strict conditions were met. The marriage had to have lasted a minimum of three years. An application for a division of pension credits had to have been made within three years of the divorce or annulment.

This latter requirement was felt necessary so that divorced individuals would have some idea of what their retirement benefits were going to be when they reached retirement age. It was felt at the time that a CPP contributor should not be left in limbo. He or she had a right to know if the pension credits were going to be divided. In this way the individual could better plan for his or her retirement years.

• (1710)

Three years was considered to be long enough after the marriage was over for one of the spouses to make application for a division of pension credits. Unfortunately, what the original legislation did not provide was for an extension of the three–year time limit.

I am pleased to note that there are many divorced couples who hold no animosity toward each other. These individuals still want to ensure that their ex–spouses are treated fairly.

The administration has been approached by couples who were divorced prior to 1987 when the time limit was removed who would still like to have a division of pension credits. Such persons accept the fact that Canada pension plan contributions are a joint family asset to which both spouses contributed equally during the course of their marriage. Even though for the most part only the male partner made CPP contributions or at least consistently contributed to the plan during the course of the marriage, he recognizes that his ex–wife has as much right to these credits as he did.

The people who are coming forward do not want a three–year time limit to prevent them from dividing their pension credits with their ex–spouse. Therefore, an amendment contained in Bill C–54 will allow the three–year time limit to be waived where both spouses request this waiver in writing.

The Canada pension plan is an income security program that truly belongs to its clients. The plan is totally funded by the contributions that employers and their employees make and the investment of any moneys not immediately needed to pay benefits and expenses. Therefore, this plan should definitely listen to the people to whom it belongs and the waiver of the three–year time limit for spouses who divorced prior to 1987 is proof positive that this government is willing to both listen and act on what it hears.

This government has a commitment to improve the way it does business. This bill before us today exemplifies how this commitment can be acted upon.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, I am pleased to participate in the debate on Bill C–54, an Act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act. In other words, this bill directly concerns social programs.

I am puzzled since, throughout the election campaign, the Liberals kept referring to their red book and the creation of jobs and more jobs. However, the reality is that, since they took office, the Liberals are constantly looking at cuts in social program budgets.

The social policy reform provides a good example of the cuts which this government intends to make. Under the circumstances, I feel that the current debate is essential, since it concerns the poor. This bill deals with the benefits of an important group in our society, namely our seniors, our fathers and mothers, to whom we owe so much. These people played an active role in the economic life of our communities, and they still do, often in a volunteer capacity.

Seniors in my riding are of that calibre. However, they are not exempt from the problem of poverty which confronts many elderly persons. In 1992, the average income of seniors living alone was $18,434. Moreover, 21 per cent of seniors belong to the low–income group. It is tragic to see people who helped build this country being faced with the prospect of poverty.

Regardless of what the Liberals in this House may think, the income level of many seniors coincides with the poverty line. These are real figures. Why then is the Liberal government so bent on getting tough and tightening up the social system by saving money at the expense of the poorest of the poor?

• (1715)

Some of the objectives of Bill C–54 are acceptable, namely, improving client services, managing programs more efficiently, and taking the necessary steps to harmonize programs. The Bloc Quebecois supports the objective of this bill which is to make the rules more flexible in order to make life easier for senior citizens. It even agrees with some of the amendments, which can only benefit seniors. However, the Bloc cannot condone the fact that savings are being achieved at the expense of already impoverished senior citizens. We must make sure that senior citizens do not lose what they have gained so far.

Despite its Good Samaritan act and all its talk about fairness, the Liberal government does want to standardize the Old Age Security programs by limiting retroactive payments to one year.

When we know that senior citizens can now receive retroactive Old Age benefits for five years, one must question what the government is doing. If it is not making it harder for senior citizens, what is it doing then? I say it is saving money by taking away from senior citizens what they had gained previously.

The Liberal government is waving a carrot, but the Bloc Quebecois knows there is a stick. As to overpayments under the Old Age Security Program, pensioners are protected against any error by officials, that is to say they would not have to repay the sums received in excess of their entitlement. Presently, the legislation has provisions for a maximum two–year retroactivity period. Bill C–54 would abolish this, saving the government between one and two million dollars.

I would like the minister to explain where these savings are coming from, and whether pensioners will be protected the way they were previously.

I would also like the Minister of Human Resources Development to explain to me the provision of the bill granting the minister the right to acquire, use and manage assets. It is quite natural that I should question this provision since the intent of the minister is far from clear in this bill. He certainly lacks openness in this case, contrary to the openness he shows as far as personal information on pensioners is concerned.

The Liberal government, although it denied against all odds that CSIS was spying, wants to increase the number of departments and agencies which will have access to personal information.

The Bloc Quebecois considers that the collection of information is legitimate, but it believes that the access to such information should be limited.

The Liberal government should clarify the rules for access to privileged information and the provisions dealing with sanctions in case of disclosure.

The integrity of this information must be respected. The government should be more specific and should demonstrate the need for a wider distribution of privileged information.

• (1720)

Considering that the bill in its present form fails to reinforce the confidentiality of personal information pertaining to beneficiaries of programs for seniors and that the government is saving money at the expense of the poorest members of society, and that certain measures seem obscure, I will support the amendment presented by my colleague for Argenteuil—Papineauville.

[*English*]

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, it is a pleasure to speak today on Bill C–54, something we as Reformers would like to address in an enormous way and revamp.

The bill is to streamline OAS, CPP and UIC systems. It is essentially a housekeeping bill. I hope these changes will result in increased efficiency and increased targeting for those who most need it, decreased expenditures and less abuse in the system, something we in the Reform Party stand for very strongly. However, given the usual situation with this and previous governments, I am very doubtful that will happen.

Let me give some examples. The Liberal proposals in the bill are simply not financially sustainable. In 15 years or less, spending on social programs plus interest will consume 100 per cent of all federal revenues. I will get back to that a bit later.

The proposals in the bill do not address the long term fiscal reality of declining dollars to spend on social programs and the dramatic increase in the numbers of seniors expected in the next 15 years. This mindset occurs on just about every committee the Liberal Party has chaired. Never are the ideas of how we are going to pay for all the programs we ask for ever addressed in the majority of committees that we sit on.

The Liberal proposals are not targeted to the truly needy. The Liberal proposals do not eliminate the duplication between various levels of government, a logical choice where we could officially cut costs to provide more money for other programs and to decreasing the deficit and the debt.

We in this party support the following options proposed in the minister's paper, I must admit: moving the UI system closer to a true insurance program; starting to target assistance to those most in need; a voucher system for students to replace post–secondary education; an income contingent repayment plan for student loans which would put it on the legs of financial and

fiscal sustainability; and placing more responsibility on the province for welfare programs. The problem and the single most important and fundamental threat to social programs is continued deficit spending by this and previous governments.

We have been accused in this party of being the slash and burn party that does not care about the poor, the dispossessed, the wronged, and those in the lowest socioeconomic backgrounds. That is wrong. That is a fallacy that continues to exist in the public's mind. I will try to show the House, the government and the public what we really stand for and to put forth the only solution that will rectify these problems and save social programs for those who truly need them.

Currently the debt and the interest payments are providing less money for social programs. I will explain how this happens. It will ultimately result in the collapse of all the programs because there simply will be no money for them. Who will that hurt? That will hurt those who are most needy.

The problem, as I said before, is that as the debt increases the amount of interest on it increases. Currently a quarter of all government revenues is paid purely on interest. This serves no function whatsoever. A quarter goes to spending on government services and a half to social spending.

Social spending is almost $80 billion. As interest payments go up one or two things happen: they can either take away from social spending or other programs or they can tax more, which is absolutely ludicrous. The people in the country are taxed to the hilt.

**An hon. member:** That is the Liberal plan.

**Mr. Martin (Esquimalt—Juan de Fuca):** That is right. However there is a backlash. If they increase taxes people spend less. Fewer people are employed. Jobless rates go up. There is more of a demand on our social programs. Our debts go up. Our interest payments go up. The cycle repeats itself. It is a spiral that ultimately results in the collapse of the financial, economic and social backbone of our country.

• (1725)

To put this into a more stark perspective, by the year 2010 interest payments and social spending will combine to swallow every single dollar this government or any government will take in. That is 100 per cent of revenues. That will mean there will be no money for government services including the armed forces, foreign affairs, RCMP, or the precious multiculturalism and bilingualism the government holds so dear.

At best, with government services amounting to $42 billion, the most we can reasonably cut is between $8 billion and $10 billion. The rest must come from social spending. There is no way around this fact of life.

We in this party are not looking to slash social spending. We are looking to cutting a modest $12 billion to $16 billion which, in combination with the other $8 billion and the expected rise in GNP, will result in a balanced budget in the next three years.

The threat to government programs is already very evident. I will use the concrete example of health care that is close to the hearts of Canadians including my own. Our health care system is in crisis. The federal government is giving less and less money to the provinces and the provinces are funding less all the time because they simply do not have the money available. They are in exactly the same fiscal crunch the federal government is in.

This results in the deplorable situation of rationing, particularly the rationing of essential health care services. Less money, increased demands, an aging population and more expensive medical technologies all combine to comprise people's health. The most essential of health care services right now are being withheld from people, which will result in people suffering and people dying.

There is a five–month waiting list in Ottawa for heart surgery at the Ottawa Heart Institute. In the province of Quebec there are tens of thousands of individuals on hospital waiting lists, 800 of whom require urgent surgery now. That is absolutely deplorable. Seventy per cent of individuals in severe pain who need new hips, which generally applies to the aged, will wait at least five months and 40 per cent of them will wait 13 months to get hip transplants. Imagine ourselves, imagine our parents, imagine our grandparents suffering in severe pain waiting for a hip replacement that may never come.

The federal government is taking away money on one hand and forcing provincial governments to adhere to the archaic Canada Health Act. It in itself philosophically compromises the health care of every Canadian.

What do we propose to do in this party? We do not propose to destroy the Canada Health Act. We propose to amend the Canada Health Act to ensure that provinces have the ability to take care of their finances and to enable them to experiment with various funding models to be able to pay for the essential health care services people require.

Right now people are not getting essential services. How do we prevent a two–tier system wherein the poor will suffer? The way to do it is to define essential health care services, which is the job of the government. We are more than happy in this party to help the government toward this realization of defining the health care system and ensuring that those services will be covered for every Canadian in the country regardless of socio-economic situation.

**An hon. member:** Liberal compassion, keep on spending.

**Mr. Martin (Esquimalt—Juan de Fuca):** This is Reform compassion. This is the way the Reform Party wants to deal with health care. The Reform Party wants to save publicly funded health care to ensure that all people in the country will receive the timely essential health care services they require. There is no other option. To further the health forum is going to take four years to make any substantive difference. It is only going to

offset the decisions that we in this party know have to be made now.

• (1730)

I beg this government to heed what is being said here today and to accept our hand in working toward a coherent, forward thinking health care policy and social policy for all Canadians to ensure that all Canadians, particularly those in the lowest socioeconomic circles, will have their needs met.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, it is my turn to speak to Bill C–54. My speech will deal with two aspects. First, there is the whole issue of personal information. The reason we are opposed to this bill as it now stands is that the government wants to add Canada Post, among others, to the list of agencies and departments which already have access to this information. We may wonder why Canada Post needs to know this, but I think there is no reason to be concerned in this case.

Correctional Service Canada is a little more disturbing. Why Correctional Service? They may need it for criminal investigations, and that would be okay, I suppose. But the RCMP, the Minister of Justice, members of Parliament? At the moment, the management of intelligence services is raising many questions and creating a great deal of uncertainty among the general public.

I think that now is not the time to add to the list, especially when dealing with clients, in this case seniors, who may be more vulnerable to fuller disclosure of personal information or to allowing a larger number of government organizations, departments and agencies to look at seniors' files.

We know that seniors—it will be our turn some day—live in insecurity, especially those with few resources. We in the Official Opposition are very concerned about the provisions adding a significant number of government bodies to the list of those with access to personal information. That is why the other day the hon. member for Papineau—Saint–Michel proposed an amendment which was rejected but which would have imposed some limits on the collection of personal information.

The second aspect is, of course, the efficiency measures. They want to improve service to seniors—as stated in the objectives of the bill—and simplify access to old age pensions, while at the same time taking measures to recover money from clients who, as I said earlier, are very worried. I saw people again this week in my riding office who are worried about social program reform. I do not want to indulge in grandstanding, but old age pensions are excluded from this reform. Meanwhile, the Minister of Finance is travelling across Canada and telling everybody that there will be a reform of social programs but that spending will also have to be cut.

Seniors—for whom I want to speak out—are worried. Again yesterday, two seniors told me the same thing at a meeting of the Committee on Human Resources Development. Can we guarantee that old age pensions will not be affected? Unfortunately, we see here some measures that reduce the retroactive period for an application to one year from five. Previously, seniors could apply to the government and had up to five years to do so. Now it is reduced to one.

• (1735)

Eliminating the grace period would, it is estimated, save the government $1 to $2 million. The bill has a provision whereby the minister can stop making benefit payments while an appeal is reviewed.

Imagine someone who wants to appeal a decision under this bill. Now, all of a sudden, as a result of the minister's discretionary power or the department's delegated authority, his benefit payments would stop. This means that the burden of proof is on him, because he is penalized right away, and his old age pension payments are stopped until a decision is made on the appeal.

These economy measures are somewhat contrary to the purpose of the law, which it seems was meant to make the Canada Pension Plan procedures easier for seniors.

For these two main reasons, especially the increased number of agencies, if the bill is passed as is, it would give access to private information on individual seniors. Moreover, the savings would be made on the backs of people who are among the most vulnerable in our society, seniors, most of whom, as we know, are barely scraping by.

I think that the government—because the amounts saved are about $1 or $2 million in each case, for a total of around $4 million for all of Canada—should not make seniors feel more insecure. These savings are not worth it. These people have contributed to society all their life and I think they deserve peace of mind and reassurance about their pensions.

[*English*]

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

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 45, I have been requested by the chief government whip to defer the division until a later time. Accordingly, pursuant to Standing Order 45(6) the division on the question now before the House stands deferred until Monday, November 14 at 6.30 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

**Mr. Boudria:** Mr. Speaker, at the risk of repeating myself I think you would find unanimous consent to further defer this vote until Tuesday, November 15 at 5.30 p.m.

**The Acting Speaker (Mr. Kilger):** Is there unanimous consent?

**Some hon. members:** Agreed.

**Mr. Boudria:** Mr. Speaker, I think you would find the House favourably disposed to proceed immediately to private members' hour.

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

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** Before proceeding with Private Members' Business, I have a statement to make concerning Private Members' Business hour for tomorrow, Friday, November 4, 1994. I have received written notice from the hon. member for Don Valley North that he will be unable to move his motion during private members' hour tomorrow.

Since it has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 94(2)(a), 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 tomorrow and the House will continue with the business before it prior to private members' hour.

It being 5.40 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

# PRIVATE MEMBERS' BUSINESS

[*English*]

## CREDENTIALS

**Mr. Rey D. Pagtakhan (Winnipeg North, Lib.)** moved:

That, in the opinion of this House, the government should, in co–operation with the provinces, seek to put in place a process aimed at ensuring the portability of credentials obtained in and outside Canada in order to fully utilize the talents, skills and experience of all Canadians.

He said: Mr. Speaker, I am pleased to open debate on my motion, No. M–303 as stated. This motion presents the House with the unique opportunity to assert its leadership and fulfil its duty to the people of Canada, to do them justice. This motion strikes to the heart of what Canada wants for its citizens and what citizens want from their Canada.

This motion ought to transcend partisan interests. Why? Because Canadians by birth and by choice want and need the dignity of work. They want and need to contribute to the economic and social fabric of their great nation. They want and need to find fulfilment and a sense of personal identity in their chosen occupations. They want and need to support themselves and their families.

I believe no one in this House or in this country would disagree that Canada wants her citizens to obtain these goals. Insuring the freedom, productivity, contentment and security of citizens is the chief interests of any democratic government. That is why I believe our federal and provincial governments must co–operate with one another and with other governments worldwide to see to it that Canada's citizens are able to maximize their productivity, their earning potential, their self–esteem and their creativity.

Simply put we in this House must work together to make the accreditation of foreign and out of province credentials a simple, orderly and timely as possible without compromising occupational standards for even a moment to ensure the full realization and utilization of the talents, skills and experience of all our citizens.

Professional and academic standards act as a kind of guarantee to the public. People can trust their affairs with a lawyer or trust their lives with a doctor, knowing that each of them has met local professional standards. As our children attend school from kindergarten through advanced degrees it seems only reasonable for us to believe that teachers are qualified in their fields. It is just as natural for us to want our children's academic achievements to be solid and substantial. We would like them to be as qualified as possible.

To retain the confidence of the public, regulatory bodies enforce a certain level of competence and knowledge. Professional standards are upheld. In general, most people in our communities accept that system.

The fairness of the system is tested when newcomers to Canada request that their credentials be recognized. In fairness to the public and to members of the professions and trades here in Canada, the domestic authorities must conduct rigorous and comprehensive examinations of foreign credentials.

• (1745)

People who are familiar with the credentials issue know how complex it is. My motion is in no way a criticism of the people now working in the field. My hope is that we can better support their efforts.

There are costs associated with portability of credentials. I believe co–operation and co–ordination are the means to contain those costs effectively and to fairly allocate any expense that remains.

My motion calls for co–operation between our federal and provincial governments and on the international level. In academic and professional areas where provinces and territories have jurisdiction, the resources of the federal government can minimize the difficulty and expense. The benefits of an effective recognition process fully justify the efforts governments make to create it.

Job creation is the number one priority of this government. It is the foundation upon which this government has built a vision for Canada's entry into the 21st century. That vision encompasses the interests not only of Canadians here today but of those who will join us here tomorrow and rightly so.

Canada can and should do much more to ensure that immigrants and all citizens are able to participate fully in the labour force. Canada is a land of immigrants. Over the years, over the centuries, first one group and then another have come here to make new lives.

Some people were fleeing political turmoil. Many could find no opportunities in their countries of birth. Certainly, some of the people who came to Canada believed they would find adventure and excitement in the open spaces as well as economic and political freedom.

Some people come to Canada empty handed as political or economic refugees. The only fortune they can carry is their knowledge. A good education might be the only inheritance they can give their children. In all fairness we should help people make the most of what they have, not the least.

A Statistics Canada report released last July titled "Canada's Changing Immigrant Population" points out that the labour force participation rate for Canadian immigrants was lower than that of Canadians born in Canada, despite the similar proportions of university degree holders in the two groups. Based on this information, the report concludes that recent arrivals "may take more time to adapt to Canada's labour market".

I submit that the more plausible alternative explanation is the absence of an effective process or mechanism for accreditation of foreign–obtained credentials. As compelling as the statistical data in the report are, it is the people behind the numbers who make the strongest case for an orderly system of accreditation.

I would imagine that all members of this House are familiar with cases in which highly skilled immigrants have come to Canada only to find their foreign credentials do not entitle them to work in their field of expertise.

A striking example was recently documented in an *Ottawa Citizen* article titled "Educated immigrants face work barrier". This story detailed the case of a woman physician from Honduras who arrived as a refugee in Canada and has been forced to clean houses to support her family.

In my home province of Manitoba there are now close to 100 medical doctors who want to practise the healing art. Yet barriers exist to prevent them from doing so. I know of one physician who recently immigrated with his family from Ukraine. He is unable to practise despite his impeccable foreign obtained credentials.

This doctor and his family are not the only ones who suffer in this instance. Indeed our Winnipeg community incurs a loss as well, a loss of expertise. There are many more examples in many other disciplines and fields.

Throughout Canada there are hundreds and thousands of highly skilled engineers, technologists, technicians, teachers, accountants, lawyers, mechanics, electricians, plumbers, dentists, nurses and many more. They have one thing in common. They chose Canada as their new home in which to raise their families. They want to contribute to the development and prosperity of their chosen land. I ask, how can we in conscience turn a deaf ear and a blind eye to them? How can we?

• (1750)

The issue of accreditation of foreign obtained credentials has been before this House since at least 1989 when this member took the issue before the Standing Committee on Industry, Science and Technology and the committee on health and welfare, social affairs, seniors and the status of women.

I am pleased to note that both the Department of Human Resources Development and the Department of Citizenship and Immigration today have now seized on the importance of this issue. A four part report released last year states and I quote: "Few examples of mutual recognition of foreign credentials within an occupation and between countries exist. This is in part due to differences in standards and curricula that exist between provinces. Recognition of qualifications between provinces

must exist prior to mutual recognition of professional qualifications between two countries".

The report adds, and I again quote: "Given the provincial nature of education and occupation regulation, the potential exists for duplication of effort—any lack of co–ordination between provinces could lead to—a foreign–trained worker receiving recognition in one province but not another".

The acknowledgement in the report of the importance of this issue clearly illustrates the need for the federal government to assert its leadership role by co–ordinating the efforts of the provinces in the area of accreditation.

I am particularly pleased to see that a new government strategy released just two days ago by the Minister of Citizenship and Immigration has reinforced the intention of another department of this government to do just that.

In the new framework for immigration titled "Into the 21st Century" the citizenship and immigration minister clearly states his support of one particular objective of the Department of Human Resources Development as indicated in its social security review book released last October 5.

This objective is and I quote: "To facilitate adaptation so that recent immigrants who come to Canada with needed job skills and professional qualification can more easily gain access to employment services and succeed in the transition to the Canadian labour market".

Furthermore, the document states that the two departments will work together to develop a national clearing house on accreditation in which the federal government will and I quote: "work with the provinces, employers, unions and voluntary groups to develop a Canada–wide system of credits recognition to assist immigrants to find and keep meaningful employment commensurate with their skills and knowledge".

Portability of occupational credentials across provincial boundaries is an important and relevant part of my motion. I am therefore pleased the agreement on internal trade signed by first ministers on July 18 of this year contains a chapter on labour mobility which limits the use of residency requirements and establishes a process for mutual recognition of occupational qualifications and requirements.

This is crucial since without a co–ordinated national system of national accreditation, the idea of working with foreign governments to achieve the ultimate goal of mutual recognition seems more remote.

Why is this joint effort on the part of the provinces and the federal government necessary? I would submit that the sheer complexity of the issues facing those who seek accreditation of their foreign obtained credentials will need to be confronted head on by experts culled from all areas of the country and all sectors of the government and the labour force.

I am therefore pleased to note that at the immigration deputy ministers' meetings in July and September of this year, a federal–provincial work group led by the provinces on access to trades and professions was established to advance co–operation on this issue.

This approach eliminates the potential for duplication of effort and ensures that all interested parties are pulling in the same direction and thereby saves cost, time and perhaps personal anguish.

We should remember that bureaucracies have a different sense of time than the people waiting for them to respond. What is swiftness for a government office can be agonizing delay to newcomers who are eager to work at their professions and trades and become part of their communities. The stage has been set for federal–provincial co–operation in this matter.

• (1755)

That is why I again call upon all members of this House to support Motion No. 303, to support the efforts already under way to make accreditation of foreign credentials a more effective and efficient process. Accreditation of credentials should be a dynamic process, linking governments, professional bodies and schools.

New categories of employment and new professions are emerging faster than ever before. We know that. We need the creative energy, optimism and determination of all these players if the process of accreditation is to become an instrument for facilitating personal mobility, national productivity and, not least, human dignity.

Ultimately a successful accreditation system can ensure that Canadians, especially young Canadians, have qualifications which are respected and valued throughout the world, a truly urgent need and in our national interest. Indeed accreditation can open the world to Canada and to Canadians. In return, we open Canada to the world. Canada has much to offer and much to gain.

In conclusion, I believe those of us who have benefited from the portability of credentials have an obligation, a duty to make a case for so many others who are not here to speak for themselves.

I hope I have done them justice in my own little way. I hope this House will do them justice.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, at first glance, the motion tabled by the member for Winnipeg North may seem quite interesting, since it provides that the government should, in co–operation with the provinces, seek to put in place a process aimed at ensuring the portability of credentials obtained in and outside Canada in order to fully utilize the talents, skills and experience of all Canadians.

In other words, the member wants skills acquired in a province to be recognized in the other provinces as well as in other countries. To that end, the member proposes that the federal government, in co–operation with the provinces, seek to put in place a recognition process of credentials. However, one can see that this motion is very much in the spirit of the social program reform.

Indeed, one of the proposals made by the Minister of Human Resources Development in his discussion paper is the delivery of a learning passport. The passport would, in one place, document an individual's learning experience as well as any academic and vocational credentials, and would be recognized across the country by employers and learning institutions.

Such an initiative would require national education standards. However, it just so happens that, according to the Constitution, and this is something the Official Opposition keeps repeating, education falls under the exclusive jurisdiction of the provinces. For the majority of provinces, except Quebec, manpower mobility does not pose any linguistic problem, since the English language is used. There might be a problem with New Brunswick, which has a large proportion of French–speaking people, but in the majority of provinces this does not present any problem.

• (1800)

I have to relate an historical event, which occurred in 1990 and which disappointed many Quebecers. There was the Charlottetown Accord but, before that, the Meech Lake Accord was also rejected. One thing which disappointed a lot of Quebecers has to do with the recognition of Quebec as a distinct society, based on its language and its culture. As sociologist Guy Rocher often points out, culture is a group's own way of thinking, acting and feeling. In other words, the difference is not merely of a linguistic nature.

In Quebec, not only do we have a different way of thinking, acting and feeling, but we also have a civil code which, as members opposite know, is totally different from the one used elsewhere in the country. In Quebec, we have a civil code based on the Napoleonic Code. It goes back a number of years but was updated last year by the previous Liberal government, involving a lot of work and extensive changes.

Incidentally, when we consider our legal system, all citizens are concerned and not just lawyers. We always go by the principle that everyone is supposed to know the law. But here, we have a whole collection of different standards.

If we allow mobility in the case of education, for instance, what about language? To have a standard that is acceptable across the country, how many hours of second language or first language courses should be offered from coast to coast? I see this as a major problem.

If a proposal in this respect were up to the provincial Ministers of Education who could try to define minimum standards that would be acceptable to all concerned, we could go along with that, because the Bloc Quebecois does not think Quebecers should live in a vacuum. It has never been opposed to the principle of free trade, and I mean free trade in more than goods and services. Free trade also involves individuals who move around to sell and promote their products, for instance.

However, when we get to the question of manpower training and professional qualifications, Quebec does not operate the same way the other provinces do, with a few exceptions.

We do not want to be perceived as people who are against what English Canada wants to do, if it is against exchanges between the English–speaking provinces. And we are not, whether we are sovereign or operating under a federal system, against exchanges between individuals in Quebec and the other provinces, nor do we have any objection to Quebecers being able to work, for instance, in NAFTA member countries such as the United States, Mexico or elsewhere.

It is an interesting principle, but to implement the proposal made by the hon. member for Winnipeg North, we must consider setting standards in the field of education. I understand the hon. member's emphasis on co–operation and I admire his democratic philosophy, but as far as implementing this approach is concerned, we must remember that for years there has been a very strong consensus in Quebec among all parties on professional training. However, for more than a decade, there has been no agreement on how governments should operate in this area.

• (1805)

Considering that the Minister of Human Resources Development was unable to get the provincial ministers responsible for education and professional training on side, co–operation would seem to be a major problem. If we consider education and financial assistance, we saw, for instance, in Bill C–28 that the Minister of Human Resources Development had a number of new provisions to increase his discretionary powers, while formerly, it was up to the Lieutenant–Governor in Council to determine who is the appropriate authority for education, while according to the new provisions, the minister himself would be able to designate the appropriate authority. He becomes some sort of a super education minister for the whole country, once again infringing upon an area of provincial jurisdiction.

If the invitation from the member for Winnipeg North was well received by the provincial education ministers, together, at their own level, they could define a set of minimum standards, regardless of the political context, be it sovereignty or the status quo. If these ministers could agree on some minimum standards, they may not have to be wall–to–wall in agreement to have specific provisions for Quebec, and recognize Quebec as a

distinct society, while having different standards for the rest of Canada.

The more I attend the meetings of the committee on human resources development, the more I listen to people from across Canada, the more I realize that in this country, there are two different countries and people with a totally different mind–set. In English Canada, people identify more strongly with the central government, that is the federal government, whereas in Quebec, we identify with our provincial government. In English Canada, when there is disagreement between the agencies and the province, people favour the federal government; this is somehow what the proposal from the member for Winnipeg North does. I believe it deserves to be taken into consideration, but in its present form, it is unacceptable to Quebec. The responsibility should lie solely with the provincial education ministers.

[*English*]

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I appreciate the opportunity to speak on this well intentioned motion.

I appreciate also the desire of my colleague to make the portability of credentials across the country easier for professionals and for those in the trades. There is no question that in our increasingly mobile society many people do experience difficulties and frustrations when trying to start a professional practice or to practise a trade in a different region.

I also appreciate better than most I suspect the frustration many new Canadians have with the credential process that exists across the country. Many individuals in my riding have expressed this concern to me and I understand where my hon. colleague is coming from.

However, I fear that my hon. colleague, the author of this motion does not understand the implication of the proposed measure. Further I believe we can conclude only one of two things about my hon. colleague and his government from this motion. Either he does not have a good understanding of how the business profession and trades work in this country or he does not care and is willing to see the imposition of a profound draconian government control over areas that should not be controlled.

Should this motion become a bill I have no doubt that tens of thousands of people who belong to professions that would be affected by this measure would make the folly of this motion very evident indeed. Allow me to lay out how it is that trades and professions such as the ones that would be affected by this motion are credentialled and what effect this motion if it actually became policy, which it will not, would have. Let us use the examples of doctors, lawyers and engineers.

• (1810)

Doctors, whether inside or outside Canada, must receive degrees in medicine from recognized universities and then they must write exams under the observation of provincial medical associations. Only then will they be allowed to practise in the province and in Canada. Granted, recently some barriers have been placed in the way of doctors who want to practise in a province other than the one they have written an exam in, but those restrictions have happened because of a surplus of doctors in some areas and have reflected the best judgments of the provinces and the provincial medical boards.

Engineers educated in Canada and receiving their degrees must write an exam in each province they wish to practise in. The exam deals with local safety codes and local standards. The province specific exam is necessary since each province has its own safety standards and its own building and engineering codes. These are standards and practices unique in that province.

Should someone come into the country with a degree in engineering from a university that is not recognized and if that graduate has at least two years of experience they are permitted to write an additional examination more strenuous than the first for obvious reasons. It tests not only the knowledge of local codes and standards but also their general ability and knowledge of the field they are intending to practise in. After passing this exam they are able to practise in that province.

It has come to my attention that there are many engineering graduates educated abroad who are not able to pass the second more strenuous exam. While that difficulty is undoubtedly heartbreaking for the exam taker, we cannot avoid the observation that it reflects a lack of knowledge of standards and of techniques and practices in Canada. Those who are not up to the Canadian standard of knowledge and excellence should not, with all due respect, be allowed to practise.

I think my hon. colleague knows how the regulations of legal credentials work in Canada across the provinces. After an individual graduates from an English Canadian law school he or she must write a bar exam regulated by the provincial bar that allows him or her to practise in that province. My hon. colleague from the Bloc just pointed out some of the pitfalls in that region alone.

Is this protectionism? Is it guarding one's own turf? Of course it is and for good reason. I know I am stating the obvious, but this motion is so contrary to common sense when one sits down and really looks at it. A statement of the obvious is necessary to demonstrate that it is not workable.

Each province has its own laws, a wealth of laws, volumes and volumes of laws. Those specific laws require such a degree of specialized knowledge it is imperative that provincial bars

protect the consumers of the province by requiring tested knowledge of those laws.

**An hon. member:** Not in criminal law.

**Mr. Hanger:** Well criminal law is a partial exception but still there are requirements for the particular province. It is imperative to the consumers of the legal profession that local bars protect them from free floaters who would like to practise everywhere or anywhere in the country but would not have a degree of knowledge of the provincial laws that would allow for a proper and responsible practice.

I will admit that things might be easier to manage if the credential process were centralized if the feds took it over, or regulated credentialing. Easier is not necessarily better.

Yes, professionals and those with specialized trade skills are protected to some degree from overseas competition by strict credentialing. Granted, professionals in each province might even be protected to some degree by the control local professional guilds have over credentials but so is the consumer and so are standards of quality. The system is not perfect. Professional guilds can become protective and inward looking and there is no question about that. We have seen several examples of the barriers that are imposed.

However, we must ask the philosophical question: Who can do a better job of looking after quality standards of a profession and the interests of consumers of specialized services, professional guilds or the federal government? Who should be allowed to impose regulations, those who are intimately involved in the delivery of the specialized service or product, or the federal government?

• (1815)

Where should the onus for protection of consumers and the regulations of local standards be located? Locally or in Ottawa? Needless to say the Reform Party believes that things affecting provinces directly must be under the direct purview of the provinces. The more local the better; the more decentralized the better.

There is a fundamental philosophical difference between myself and my party and my hon. colleague from Winnipeg North. We believe Ottawa should play as small a role as possible in the affairs of the provinces and in the affairs of business and the professions.

We believe consumers must be protected from abuse not by Ottawa but by the provinces. Where the private sector can do an adequate job of something we believe the government at any level has no business whatsoever getting involved. I know that is not the opinion of my colleague. Obviously not.

The proof is in the pudding. The motion if passed, which I hope it never will be, would establish a bureaucrat monster not unlike so many of the bureaucratic monsters that currently lurk in this town.

In closing I applaud the intentions of my colleague but this will not work and it should not be allowed to happen.

[*Translation*]

**Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I would like to start by applauding this initiative of my colleague from Winnipeg North. Why? Because it is a very important point. What is he seeking? He is not seeking any special power for Ottawa or trying to impose undue constraints. What he is trying to do is bring some justice to the men and women who come to Canada. He wants their degrees to be considered in a fair, objective and serious manner.

Why is he proposing this? Because we have a number of Canadian men and women, born and educated abroad, who are qualified for specialized jobs, but cannot get recognition due to the lack of any mechanism to review their degrees.

I am sorry, but the hon. member did not understand what my colleague is proposing. Why he is proposing this? Because the present situation not only creates injustices, it also deprives Canadians or landed immigrants from finding the job they are qualified for, the job that would challenge them, the job they really want.

My colleague is seeking a process, a mechanism which will not only bring some justice to these people, but will also allow them to work in their field of expertise. That is what he wants, nothing else.

[*English*]

The motion would achieve a couple of very important objectives. It would address out of country qualifications which we must do. It is a mess right now. It does not ask that Ottawa do it; it asks that it be done. Bring the partners together and work it out. Of course we are going to be sensitive to language.

[*Translation*]

Clearly, except in an emergency, we do not want to send somewhere a medical practitioner who speaks neither French nor English, and will not understand his patients. Of course we will be sensitive to that, we have to, and that is what my colleague is proposing.

[*English*]

It would also address the in–country qualifications. We are like 10 or 12 separate countries. My colleague and I understand that there are profound differences but there are also similarities. We are not asking anyone to give up their culture, their language, their constitutional responsibilities, or whatever it is they have to do. We are asking people if we can sit down and make it better for Canadians whether they were born in the

country or out of the country. That is what my colleague is recognizing.

The previous speaker said that he hoped this would not happen. I have news for him. It may. I note that the Minister of Human Resources Development and the Minister of Citizenship and Immigration have recognized a need. I want to quote from a recent document which is a year old: "There are few examples of mutual recognition of foreign credentials within an occupation and between countries". In other words this does not exist. They have recognized that need. The report goes on to say: "Recognition of qualifications between provinces must exist prior to mutual recognition of professional qualifications between two countries". They could have added territories.

• (1820)

In a more recent report entitled "Into the 21st Century" the Minister of Citizenship and Immigration had this to say: "To facilitate adaptation so that recent immigrants who come to Canada with needed job skills and professional qualifications can more easily gain access to employment services and succeed in the transition to the Canadian labour market".

That is what my colleague from Winnipeg North is trying to do. It is not to create a monster in Ottawa. It is not to try to crush people, to take away the constitutional responsibilities or to be insensitive to their cultural rights, imperatives, dreams and desires.

There is more. This is a key for the speaker who just preceded me. These two departments will "work with the provinces, employers, unions and voluntary groups to develop a Canada–wide system of credits recognition to assist immigrants to find and keep meaningful employment commensurate with their skills and knowledge". That is what these two departments will do. I applaud that initiative and the insight of those ministers.

I want to repeat, as my colleague said, that there was an agreement signed on July 18 by the first ministers, the agreement on internal trade which established a process for mutual recognition of occupational qualifications and requirements. A lot has been done.

Here we are with 10 to 12 separate jurisdictions and we are going to quarrel about whether or not a doctor, teacher, plumber or electrician can come and work on my turf. If I am having a serious heart attack, Mr. Speaker, I hope you will not ask the doctor if he or she is from Manitoba; send him over very quickly.

Why is it that the European countries, even though they have different traditions and different languages, can come to grips with it and can resolve the problem? I guess my colleagues really think that we are not as able as the Europeans. I assure the House, with all due respect to those gentlemen and gentle ladies, that we can do as much. Perhaps we can even do more because we can use their example and hopefully we can improve it.

I have more news for my colleagues. There is what we call the red seal initiative in Canada. It involves 42 trades and professions that can go from one part of the country to another. Nobody gives them any hassle. Why? It is because it was a process. They have the red seal. If we can do it in certain areas and we have done it, why can we not extend it? Where is that huge monster that has been created in coming to grips with that? There is no huge monster. It is in the imagination of men and women who sometimes do not let their spirits soar.

There is also the Canadian Information Centre for International Credentials that helps people try to get some appropriate attention. I have more: the Council of Ministers of Education for Canada. I wish my colleague were still able to hear me; perhaps he can. There is so much information here that it may be overwhelming.

There will be a report out by September 1995 on public schools to say how we might be able to transfer more easily. Thank goodness. That is common sense. The Council of Ministers of Education intends to remove university barriers by the fall of 1996. There is more. Then it is the colleges. I would think it was about time.

I have some really good information for my friends in the Bloc.

[*Translation*]

He may not know it, but one of the best mechanisms to evaluate credentials is in Quebec.

I find it extraordinary, almost incredible, that he should be unable to support enthusiastically, energetically, my colleague's motion.

We have international agreements. We have GATT, we have NAFTA. We have all kinds of agreements everywhere in the world and more coming every day.

• (1825)

We are supposed to want to be more open to the world, yet we have barriers that prevent us from talking to each other, helping one another and working together. Barriers erected by men and women, because they did not know enough, because they wanted to protect their own little world rather than open up and say: "Here is what we have, what do you have? Can we work together?"

[*English*]

I want to end on that note. We have all these international agreements and there will be more. We are opening up to the world and the world is unfolding. We need to unfold with it. We need to open our minds to the possibilities that are reflected in my colleague's insightful and very timely proposal.

There is no monster here. There is a search for fairness and justice and equity for those who are born outside of Canada as well as those born in Canada so that we can move more freely from one area of our great country to another and so that we can move to other countries in the world and so that others who come into our country can be appreciated for their just worth. Let it not be an arbitrary process. Let it be a process that good thinking men and women have thought out and have applied so that we can treat our fellow human beings with dignity.

**Mrs. Karen Kraft Sloan (York—Simcoe, Lib.):** Mr. Speaker, it is with great regret that I follow the member for St. Boniface. I would have preferred to speak before him. He has certainly given a very passionate and powerful articulation of support for my colleague for Winnipeg North.

In my own modest way I would also like to stand and give my own support to this member's motion. I have two personal situations I would like to put before the House with regard to this particular issue.

I worked previously in the field of employment equity with the Ontario universities before coming to the House as a parliamentarian. I would like to congratulate the member on this motion because he addresses something of real concern to the academic communities in this country. By addressing these concerns we will realize more equitable employment practices in our universities.

Often foreign credentials are rejected not on the basis of real difference in academic standards but have more to do with the perceptions that are based on stereotypes and lack of information.

The member for Winnipeg North has truly recognized an opportunity to provide all Canadians, those who have been here for a long time or those who are new to this country, the ability to fully contribute all of their skills to Canadian society.

The member has also identified another serious problem which is portability within this country. I draw an example from my own family to the attention of the House. My sister was a dental hygienist in Ontario. She moved to Alberta and had to go through a recertification and testing process. If the member opposite were concerned about bureaucracy and all of this I would suggest this is a real case of bureaucracy and wasted resources for my sister to have to go through this. As well, there was a considerable level of stress.

I would also like to point out, as my hon. colleague on this side of the House has already done, there were a number of things ignored by the member opposite in terms of some of his remarks. A lot of professions and trades have standard practices and there are no problems with portability across this country for accreditation.

With new Canadians coming to this country, particularly in the medical profession, he said they have to pass stringent medical tests. I agree with him. We want to ensure that we have capable and skilled individuals practising medicine in this country. However, in many cases newcomers to this country are denied the opportunity to even take these exams.

If the member opposite has read any newspapers in recent months he would realize that the federal and provincial governments are moving to harmonization on many different fronts. This is just one example of how we can work together co–operatively in this country.

I mentioned bureaucracy. Let us talk about 11 kinds of bureaucracy in this country. We have to challenge those kinds of overlap and duplication.

• (1830)

The costs. There is a cost to our society and to human talent in that they have to continually go through these things if they choose to move to another province.

We had an idea in the red book which I hope this government will continue to act on called the national apprenticeship program. This was lauded by industry and a number of people in my riding. I campaigned on this. If we take a look at a country like Germany, one of the reasons it is so strong industrially is because it has a very strong national apprenticeship program.

The process this government had proposed was to have these standards co–developed by industry, government and the educational sector. Again I would like to say that I fully support this member's motion. I thank him for bringing this very important issue to the attention of the House.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I rise to speak to this motion with great pleasure because I have been very privileged to have received an education and also to have worked in the education field all of my life to this stage, some 31 years.

I taught high school for four years. It is illustrative to what the hon. member is saying when we talk about the portability of credentials to tell members about an occurrence when I first started my teaching career.

The hon. member for Saskatoon across the way will appreciate the fact that I am a graduate of the University of Saskatchewan in Saskatoon. When I first graduated from that illustrious institution and tried to get a job in my home province, because I had a high degree of loyalty, unfortunately most of the school boards in that province thought I was over qualified since I had two degrees. I was very young and inexperienced. They said they could get a teacher with some experience and less training for less money. I was not able to get a job, but they hired me in Alberta.

It was very interesting. I went to a rural county in Alberta. I applied for a job in writing. The superintendent phoned and asked me whether I could come and work. He offered me a job. I sad: "Ho, you have not interviewed me. You have not seen my credentials". He said something that is very fitting to this debate: "We have hired a great number of teachers from

Saskatchewan and we have not yet regretted one of them''. We could all applaud that for the University of Saskatchewan.

There are differences in credentials accruing to the place at which one got an education. The University of Saskatchewan built a reputation in western Canada that teachers trained in the faculty of education—it was called the College of Education at that time—were well trained and were able to compete.

Hon. members are going to have to think very carefully when I state this statistic because it is a catchy one. One of the people who was from Saskatchewan who taught in that rural county in southern Alberta said that the worst teachers from Saskatchewan go to Alberta and the teaching standards in both provinces rise. If one knows statistics they will get the significance of that statement.

I would like to also relate the fact that I taught at a post–secondary technical institute for 27 years. Here I have a point that is very important. We need to hear this. It is a waste of financial resources to try to train people who are not ready, who do not have the prerequisites. I believe it is very important as our students go all the way from kindergarten through grade 12 that at each level there be a good degree of quality control and that they be passed on to the next grade only when they have achieved a certain standard.

Teaching in a post–secondary institute for 27 years, I have experienced receiving there many students, some of whom were really sharp, whiz kids with good intelligence and good prior education. They did very well. Some of those students however were not as intelligent. They did not have the same mental capacity. There is nothing wrong with that. It is the same when I run in a race. I am at the tail end of the race, physically speaking. Mentally there is also a variation.

• (1835)

I am proud to say that many students who were of average intelligence in the post–secondary institute where I worked did very well because they were able to compensate for that by good, solid, hard work. They did very well. They graduated, some of them with high marks, and they went on and chose their careers.

A number of my students passed me in earnings. A number of my students have already retired. They earned so much money they could afford to do that due to the training that they got. Not all of them were exceptional students. They were just hard workers.

I want to come to this point of international education. I also experienced on a number of occasions foreign students. We had a number of students from foreign countries who excelled just the same as we had students from Alberta, from other provinces in Canada, some from the United States and many from other foreign countries.

We had them on the whole spectrum. Some were really good students. They breezed through the work. Some were average and there were some with difficulty. I am thinking of one young man from a foreign country who came to us. Our prerequisites in the programs I taught in required a grade 12 when they came in. That is from Alberta standards. I do not know how that compares with grade 13 here but it is probably comparable to grade 12.

This poor student—I liked him—did not have the prerequisites. Somehow he got into this country on the credentials of his government. He enrolled in our institute and consistently got zero in his exams. It just tore me apart but I could not begin to give him marks because I was training a person who was going to work, providing services to other people. I could not give him marks that did not reflect his actual ability.

I counselled him and tried to help him. I tried to persuade him to go backward, to take a lower level course, to get the prerequisites and to get up to speed. There we found a real problem because of the fact that there were no international standards, no agreement.

That part of what the member is proposing in this bill in terms of standards between provinces—we could extend that—should simply be expanded so that we have a quality control system, a testing system. Before students move on and particularly before they graduate they should be required to demonstrate an ability, a competency that is truly worthy of the profession or of the trade that they have entered.

My last comment is going to be with respect to the federal government's involvement. We all know that the constitutional mandate for education at the pre–post–secondary level is a provincial jurisdiction. We need to move in this country not to a federally mandated, federally controlled, federally organized, federal bureaucratic system but to a system whereby provincial governments will voluntarily get together in order to establish some national standards.

The same is true for post–secondary institutions, whether they are technical institutes like the one I worked at or universities or trades. It is very important. We need to have national standards so that there can be free trade among our trained people as well as among our goods. We need to have free trade in this country in order to be strong economically and to be able to compete internationally.

I would favour that. I would be opposed to the federal government doing that. Let it help in terms of getting the provinces together but let us not create another federal bureaucracy. I have found in my experience that when we work with a federal bureaucracy we all get pulled down to the lowest common denominator.

Let us, rather, establish standards and allow the individual provinces to work and work hard in their organization, in their training, in their statistical quality control so that we have the very best trained people who we can possibly have.

I am very grateful for the opportunity to be able to add this to this debate.

**The Acting Speaker (Mr. Kilger):** The time has lapsed but I will underwrite a reply and recognize the member for Winnipeg North. This item is not votable, therefore I would ask the member to pose his remarks within the framework of no more than two minutes.

• (1840)

**Mr. Rey D. Pagtakhan (Winnipeg North, Lib.):** Thank you, Mr. Speaker, for your kind consideration. I would like to thank all the participants in the debate, those who supported the motion and even those who were not prepared to support the motion at this time. I am an optimistic person and I hope that in due course they will see the beauty and wisdom of this motion.

My point is to ensure that an orderly process, a mechanism, be put in place. The best way that I can think of is to challenge and allow the federal government to play the co–ordinating leadership role, not to take from the jurisdiction of the provinces but to ensure that in this process we will attain the ultimate goal and that is what Canada can do for its citizens and what citizens can give to their country.

**The Acting Speaker (Mr. Kilger):** 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.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### CHEMICAL WEAPONS

**Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.):** Mr. Speaker, on October 21 I asked the Minister for Foreign Affairs when Canada would introduce legislation to ratify the chemical weapons convention and what Canada was doing to support the enforcement agency which was to be set up in The Hague.

The chemical weapons convention is the result of 24 years of work at the Geneva disarmament conference and had its origins in the first world war when poison gas attacks caused 1.3 million casualties and 100,000 fatalities. Canadians will recall that many Canadian soldiers were killed by gas attacks in the first world war. Therefore this treaty should mean a lot.

Following the first world war and the horror of people all over the world at the use of gas during that conflict, there was an attempt to get a treaty to ban chemical weapons. We did get the 1925 Geneva protocol which banned the use of chemical weapons in war, but there was no enforcement agency and there was no provision against the production or stockpiling or trading in chemical weapons.

This treaty that I am talking about tonight was signed in Paris, France in the middle of January 1993. It bans the use of chemical weapons and also the development, manufacture, distribution, transfer and stockpiling of chemical weapons. It also provides for the monitoring, inspection and enforcement of the treaty and provides for penalties when the treaty is broken.

It is the most complete disarmament treaty ever developed and has the most comprehensive system of verification and compliance of any multilateral disarmament treaty.

The problem is that while the treaty was signed by 150 countries, it requires 65 ratifications to make it enforceable. So far only 16 have ratified after nearly two years. Only 16 have ratified and we need 65 to make it enforceable.

I put my question to the Minister for Foreign Affairs: When will Canada table legislation to ratify this treaty and what is it doing to support the enforcement agency which is called the organization for the prohibition of chemical weapons to be set up in The Hague in the Netherlands?

I would hope the minister's parliamentary secretary would have an answer for me tonight.

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, I know that the hon. member is the past president of Parliamentarians for Global Action and is a continuing member on the international executive.

Through that organization I know the hon. member has devoted much time and energy to convince leaders and politicians around the world to ban the production, stockpiling and use of all chemical weapons.

In view of the fact that 150 countries signed such a treaty indicates that the will is there, but it must be disappointing to the hon. member that only 16 countries out of the 65 required have ratified the treaty in their Parliaments.

• (1845)

I can assure the hon. member though that with his assistance our government will likely table the required bill in this House in the new year, contingent on interdepartmental and industry consultations which are currently under way.

In addition to the information provided to the hon. member by the secretary of state I can tell him that pending ratification of the chemical weapons convention Canada pays a yearly contribution to support the activities of the preparatory commission for the prohibition of chemical weapons, the enforcement organization known as OPCW.

Canada has also created the chemical weapons convention action fund which provides grants to organizations or individuals who undertake activities to raise awareness about and compliance to the chemical weapons convention either internationally or within Canada.

In addition to this direct financial contribution, Canada has created two positions at our embassy in The Hague to participate in the various preparatory activities and to represent Canada's interests at the preparatory commission or the OPCW.

Other Canadian officials with special expertise have been made available to the OPCW for work on special committees, in particular a Canadian chairs the committee on chemical weapons storage issues which is responsible for drafting the model facility agreement which will be the basis for all future facility agreements.

I congratulate the hon. member for Notre–Dame–de–Grâce for taking international leadership in making this planet a safer place for our children and their children.

## TOURISM

**Ms. Bonnie Brown (Oakville—Milton, Lib.):** Mr. Speaker, I want to take this opportunity to emphasize the importance of the Prime Minister's announcement of October 26 which created the Canadian Tourism Commission and added a new boost of federal funding to the tourism industry.

Most Canadians do appreciate the features that our country has to offer from our shores to our plains to our mountains and the fact that these are simply backdrops for a variety of cultural and sporting pursuits that Canadians and visitors can follow.

I wonder if Canadians are aware that the care of those visitors employed 1.2 million people in 1993 and generated $30 billion in revenue which lead to $11 billion in tax receipts. These numbers are impressive but we know there is tremendous room for growth here because Canada has recently slipped from being the sixth most popular tourist destination in the world to the tenth today.

In this competitive world it is important to know your strengths and to emphasize them. That is why the Prime Minister has shown leadership here by recognizing this industry and this particular way that we might improve our economy by investing federal funds.

Today when most Canadians are concerned about the deficit and the financial situation of their country this is good news because this is going to be money well invested.

It also is an opportunity for Canadians to help with that deficit reduction, with that increase in jobs and increase in the economy because Canadians make decisions about their tourism destinations, where they are going to go on their vacation and how they are going to spend their money.

I think the Prime Minister is showing leadership and he is inviting Canadians to join in this effort to pick Canadian destinations, to show their children Canadian attractions, Canadian mountains, Canadian rivers, et cetera, and to help us in this pursuit.

Canadians have been asking me in my riding how they can assist with the deficit reduction. They are showing tremendous generosity and a team spirit in this effort and I wanted to share this idea with them today because perhaps they are planning their vacations for next year right now.

I would like to follow up my earlier question with a question to the parliamentary secretary, asking him what he sees as far as future job possibilities based on the Prime Minister's announcement of the Canadian Tourism Commission and the investing of a large number of federal funds in this industry.

**Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, I am pleased to respond to the characteristically eloquent and excellent question asked by the hon. member for Oakville—Milton on the tourism industry in Canada.

• (1850)

As the member has indicated, the government has recently announced a tourism strategy that recognizes the importance of this industry. Tourism is big business in Canada.

As the member has also stated, it is an industry that provides hundreds of thousands of jobs and produces billions of dollars for our gross domestic product.

We believe that tourism also has the unique ability to create jobs not at the entry level alone but, contrary to the perception of some, in higher skilled, higher paid categories.

The Prime Minister's special advisor on tourism, Mr. Buchanan, stated in his report that a Team Canada approach is essential in the tourism industry. As the Prime Minister said, the federal government for its part accepts Mr. Buchanan's recommendations.

Mr. Buchanan and the Minister of Industry will work together to establish a Canadian tourism commission by the new year. This commission will be a partnership of the industry and both levels of government with the board of directors made up of

representatives of the tourism industry, provincial and territorial governments and the federal government. It will help us to co–ordinate our efforts and get the most out of limited resources.

We agreed with Mr. Buchanan and the hon. member that for the tourism industry to be able to create new jobs the federal government should increase its spending on tourism promotion at home and abroad. The federal government is increasing its spending on tourism by $35 million to a budget of $50 million. The goal in this new partnership is to create a $100 million marketing fund that will re–establish Canada as a force in the global tourism industry.

When we fully achieve the partnership between government and the industry that the Buchanan report has recommended we will create many thousands of new jobs for Canadians all over the country. We will generate considerable new revenues for companies, for Canada and for all levels of government. I might add that we will substantially improve our balance of payments.

[*Translation*]

CARREFOUR JEUNESSE–EMPLOI

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, yesterday I tried to get an answer to my question. I hope to get one today. I am not sure who will answer. In any case, it is up to the government to decide.

Yesterday, I asked the Minister of Human Resources Development about an incident reported to the media. It involved a young unemployed who had been told not to go to Carrefour Jeunesse–Emploi, in Gatineau, but instead go to another centre, to find work. The reason given was that Carrefour Jeunesse–Emploi had a job–search group which had lost its funding of $240,000. In spite of enjoying strong support from the community, that agency had not managed to convince the Department of Human Resources Development to review the decision. We know that the money thus saved was given to other centres, including a new one set up in the neighbouring riding, which just happens to be the riding of the Minister of Intergovernmental Affairs.

So, this was not a real saving: It was a transfer of funds. One excuse made was that Carrefour Jeunesse–Emploi wanted to provide its services to people who were not getting UI benefits. In this case, the young man was entitled to unemployment insurance benefits, but could not avail himself of the new service provided by Carrefour Jeunesse–Emploi, because the civil servant concerned forbade him to do so. He wanted the young man to go to another centre.

We asked the minister if he could justify this action. Unfortunately, the minister says that it is a judgment by employment counsellors as to the advice they give to clients of our employment centres as to the best services that can be provided to them. In other words, having delegated his authority, the minister was saying that nothing could be done. He allows civil servants to resort to blackmail. He added that the La Relance project has a 75 per cent success rate, which is why people were referred to it. Carrefour Jeunesse–Emploi also has a 75 per cent success rate.

In the second part of his answer, the minister stated that cuts were made, but that Carrefour Jeunesse–Emploi receives $550,000 from the federal government, compared to only $100,000 from the province of Quebec.

• (1855)

On checking today, we find that the province contributes approximately $600,000 to Carrefour Jeunesse–Emploi and that the contribution of the constituency is $50,000. This is far from the five to one ratio that the minister mentioned yesterday during Question Period, which was more a question period than an answer period, since the answer was not satisfactory.

As we can see, cuts are being made in youth training centres by the Department of Human Resources Development while consultations are being held on the social program reform. The government did not even wait for the consultation results to go ahead with these cuts. If only this was to achieve savings. But no. The money saved will be transferred to other ridings, and the province and the federal government will continue to wrestle with each other. This will only maintain the indescribable mess in manpower training in Quebec.

Meanwhile, the federal government is trying to establish the Canadian Youth Service Corps at $10,000 per participant, when Carrefour Jeunesse–Emploi in Gatineau only cost $1,000 grant for each and every young participant. A survey of the people who found a job in previous years with the help of Carrefour Jeunesse–Emploi shows that, with an investment of $240,000, those who found a job paid $1,385,000 in federal taxes.

So, it was profitable for the government. In spite of this, the government still continues to thwart Quebec's job training objectives, by going after a centre in Quebec which already was a one–stop service centre, and provided a great number of services to young people. And because one criterion to lower the number of people receiving unemployment insurance benefits is not being met, young men and women are being blackmailed.

I am hoping for a satisfactory answer and especially a comment indicating that this will stop.

[*English*]

**Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.):** Mr. Speaker, one of the priorities of this government is the training and adjustment needs of youths.

Until recently two job finding clubs were in operation in the Outaouais region offering many of the same services. Given budget limitations and based on the needs of the local labour market in that area, the local Canada Employment Centre in consultation with the Outaouais community has chosen to finance La Relance which has a 75 per cent success rate in helping participants find a job within a three month period.

This choice will enable us to serve 25 per cent more clients than we would have had we kept both contracts with reduced budgets. This decision was supported by the community. L'association des services alternatifs de développement de l'employabilité de l'Outaouais unanimously proposed that there be only one job finding club in the area and supported La Relance job club proposal.

With respect to the hon. member's accusations, the department of human resources is responsible to Canadians as to the use of their tax dollars. Because of this responsibility, it must purchase the most effective programs available for its clients.

When referring UI claimants for training, employment counsellors ensure that the needs of the clients are met. Counsellors always try to be flexible in order to accommodate their client's wishes.

The local Canada Employment Centre will no doubt continue to refer some UI claimants to Carrefour Jeunesse–Emploi. Even though the club's primary objective is focused on non–UI claimants, each case will be examined individually.

It will be noted that for 1994–95 Carrefour Jeunesse–Emploi is receiving more than $550,000 from human resources development to offer other training and job finding services to disadvantaged youth. This funding has been maintained.

This government is committed to assisting Canada's youth through programs and services that will help them integrate into the labour market as quickly as possible.

[*Translation*]

## NATIONAL DEFENCE

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, yesterday, I put a question to the Minister of National Defence and did not receive a satisfactory answer. This evening, speaking on behalf of the people of Saguenay—Lac–Saint–Jean, I would appreciate a reply to this question.

The Special Joint Committee on Canada's Defence Policy submitted its report last Monday. The publication of this report has caused some concern among many people, especially in my riding, and not without reason, I believe.

• (1900)

The importance of the base in Bagotville for the Saguenay—Lac–Saint–Jean area is ample justification for questioning the minister, to find out what his intentions are. The future of the base is closely linked to the development of the Saguenay—Lac–Saint–Jean, since several hundred people are employed on the base.

Should the representative for this area not have the right to demand a clear answer from the minister? One can hardly expect a whole region to wait indefinitely, without knowing what will happen.

Recent cuts in defence spending have led to the closing of the Collège militaire de Saint–Jean. Will this happen in the Saguenay as well? That is what we would like to know.

The Bloc Quebecois dissociated itself from the report on Canada's defence policy on several points; one of the major points raised was of course the cuts which could further affect Quebec.

Yesterday, in my question, I stressed Quebec's neglected status. Quebec is one of the most disadvantaged regions when it comes to economic spin–offs from the Department of Defence. It is important to emphasize that only 13 per cent of Canadian defence infrastructure is located in Quebec compared to 34 per cent in western Canada, 27 per cent in the Maritimes, and 25.8 per cent in Ontario. And yet, Quebecers account for approximately 25 per cent of the defence budget.

In a brief presented on May 9 to the Joint Committee on Defence by the Saguenay—Lac–Saint–Jean consultation and development regional council, people from my area stated their position as follows: "We believe that efforts must be made to bring some degree of fairness with respect to defence spending, infrastructure location, and personnel distribution in Quebec. The national defence policy review gives us the opportunity to take corrective action in favour of Quebec".

The Bloc Quebecois has been asking the government to redefine its role within NORAD without delay.

The future of the four F–18 squadrons depends on Canada's willingness to participate in the protection of the North–American territory in full partnership with the United States.

Choices have to be made, significant cuts are required because of our economic situation and we think we have given the minister interesting suggestions on ways to save money, in line with a real redefinition of what our defence policy should be.

Government members have come up with proposals which are basically cosmetic, while our mandate was to do an in–depth review of our policy.

A fact remains, the government must answer to the people from my area and Quebec who are concerned with the future of Bagotville and the place it will have in the military infrastruc-

ture, since we get far less in military spin–offs than the 25 per cent we contribute.

The people from the riding of Saguenay—Lac–Saint–Jean are proud of Bagotville and they intend to keep it.

**Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, to have a good idea of what the Department of National Defence spends in Quebec, you must look at all the facts.

In 1993–94, 22.1 per cent of total military spending was in Quebec. This is an increase from 19.5 per cent in 1992–93.

In fact, Quebec received 33 per cent of military capital spending in 1993–94.

Of course, no single measure can provide an answer for such a complex subject as defence; the Canadian Forces do not exist primarily to ensure regional balance but to meet the defence needs of the country from coast to coast.

The military presence in Quebec is quite significant: the headquarters of the land forces command is in Saint–Hubert, one of the three brigades is based in Valcartier and one of the two main bases of operation for the CF–18 fighters is in Bagotville.

Six of 24 naval reserve divisions are still in Quebec. And a Naval Reserve school is presently under construction in Quebec.

As the Minister of National Defence told this House yesterday, the government will carefully consider the special joint committee's report, including those recommendations made by Bloc Quebecois members. All recommendations will be considered in the development of a new defence policy for Canada. Once that is done, the minister will take any necessary action.

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 38(5), 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 7.07 p.m.)

# HOUSE OF COMMONS

**Friday, November 4, 1994**

The House met at 10 a.m.

*Prayers*

## GOVERNMENT ORDERS

[*English*]

### MARINE TRANSPORTATION SECURITY ACT

**Hon. Arthur C. Eggleton (for the Minister of Transport)** moved that Bill C–38, an act to provide for the security of marine transportation, be read the third time and passed.

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, it is a pleasure as an Atlantic Canadian to have an opportunity to speak on this very important bill.

• (1005)

I rise in the House in support of the Marine Transportation Security Act and to explain to members of this House the need for a single comprehensive act to prevent acts of violence which could be detrimental to Canada's marine interests.

Canada is for the most part a haven from violence for many other parts of the world. To maintain our security we must, just as we admonish our children, be prepared and avoid danger. It is far better to prevent violence than to suffer its consequences. Canadians as evidenced by their abhorrence of violence and their support for strengthened firearms control want to end the needless loss and tragedy caused by preventable acts of violence.

The Marine Transportation Security Act will help prevent needless loss to Canadians, their marine transportation system and its operators, users, employees and dependants. The bill we are debating today recognizes that Canada is not currently facing any dire threat. However it also acknowledges that threats do occur and that to minimize potential injury we must be ready to deal with these threats in their earliest stages.

Security is commendable at ports under the control of Canada Ports Corporation particularly at the port of Vancouver where vessel and port operators practise co–operative security. This bill will ensure that Canada has an appropriate legislative framework which enables the implementation of basic levels of security wherever required and with the flexibility to respond rapidly should danger increase.

Legislation does exist which enables the Minister of Transport to take measures to prevent acts of violence occurring by air and rail transportation. However, it should be a matter of concern to members of this House that there is not at the present time any comprehensive legislation in Canada authorizing the government to take preventive security action to protect Canada's marine interests.

Canada endorsed and promoted compliance with voluntary international security measures designed to protect passengers and crews on board ships. Use of these measures in Canada and other nations has however been inconsistent. Our marine industry and those it touches remain vulnerable.

Security provisions in existing marine transportation legislation such as they are are fragmented and inadequate. Different legislation applies dependent on flag state, type of vessel, port, waterway and marine facility.

No Canadian legislation is specifically concerned with preventing acts of violence. None ties together the various elements of the marine industry in a way that can provide the appropriate and timely response necessary to react to security threats.

The variety of legislation that might apply to any vessel, facility, waterway or person depending on the location and segment of the marine industry involved serves to delay rather than expedite response to threatening situations.

In addition to the potential for confusion, the lack of an appropriate legislative vehicle for marine security does not allow effective response. Use of different legal frameworks to provide for security would result in different security regimes with more confusion, less compliance and higher costs.

In examining solutions to the lack of preventive security authority, the government considered the use of existing legislation and found it to be inappropriate to the task.

The Emergencies Act for example, while allowing preventive regulations to be made, applies only when an emergency has been declared. This limits its preventive utility. Further, members will recall this act was not invoked even during the 1991 Persian Gulf crisis.

• (1010)

The Criminal Code and the Security Offences Act while providing authority to respond to security incidents do not sanction preventive action.

The Canada Shipping Act is principally concerned with the safety of life at sea and the protection of the marine environment but it is not germane to security from acts of violence in the broad context of the marine industry.

The Canada Shipping Act, the Canada Ports Corporation Act, the Harbour Commissions Act, the Toronto Harbour Commissioners Act, the Hamilton Harbour Commissioners Act, the Public Harbours and Ports Facilities Act and the St. Lawrence Seaway Authority Act, apart from their obvious territorial and jurisdictional limitations do not provide specific authority or enforcement capacity with respect to preventive security measures.

Before bringing these proposals forward non–statutory methods of preventing acts of violence against marine targets were also considered. There are however a variety of problems with this approach. In considering self–regulations the fact that the seaborne element of the industry is largely under foreign flag would create unequal conditions between vessels and would be unenforceable in a similar vein.

Canadian ports operate under mixed ownership with different statutes and authorities. Equality in application and enforcement of requirements under self–regulation would also be unachievable regarding such ports. It would be unrealistic to believe that either voluntary compliance or self–regulation would provide a rapid, consistent response to any threat in such a diverse industry.

As I mentioned earlier, despite the performance of Ports Canada police and the North West CruiseShip Association, voluntary compliance with marine security measures in Canada and elsewhere in the world has been generally low. It is apparent there is little practical alternative to regulation. The high degree of non–compliance with voluntary security standards for international passenger vessels and the predominant view of other major commercial segments of the industry that there is no need due to the current lack of threat underline particularly the need for regulated preparation. The fact there is no threat to Canada at the present time should not prevent us and deter us from being prepared for such an eventuality.

Options to a single, newly minted act have also been considered, including the retention of the current regime, amending existing marine transportation legislation on an act by act basis, and amending the various transportation legislation. Amending all existing marine transportation security acts by an omnibus bill was also considered.

After thorough consideration of various options for achieving appropriate security regarding the marine transportation system including voluntary compliance, self–regulation and the various legislative alternatives, the government has concluded that the most reasonable, efficient and effective method is to enact a comprehensive Marine Transportation Security Act.

This act has come with a good deal of consideration by the Department of Transport. The Marine Transportation Security Act is such a comprehensive act providing the requirement I have spoken to previously. It incorporates all appropriate security authorities and provisions in one document, thereby allowing for ease of maintenance and compliance. The bill will permit consistent, equitable implementation and enforcement and can, if need be, apply to all elements of the industry in Canada regardless of their location or nationality. It will ensure the government's ability to respond quickly and appropriately to changing threat conditions.

• (1015)

The Marine Transportation Security Act does not apply to vessels and facilities under the authority of the Minister of National Defence. Government vessels or facilities, where no commercial activity is involved, will not be subject to regulation because they are adequately provided for by the government's security policy and the government's ability to control them. Pleasure craft, fishing vessels and small commercial craft in ports are also not candidates for regulation as they do not provide the same attractiveness as terrorist targets as do other segments of the industry.

The international cruise vessel industry and the ports serving it would be the main regulatory priority once this legislation is in place. Except for relatively few agencies such as the North West CruiseShip Association, compliance with voluntary international security standards by the cruise industry while in Canada has been inconsistent, in part no doubt because of the lack of a perceived threat there.

There is no lack of perceived threat here I think.

**Mr. Anderson:** It's a big impression.

**Mr. MacLellan:** This priority is in line with Canada's commitment to the practical standards developed by the international marine organization and the determination of this government that the history of violent acts against cruise vessel passengers elsewhere in the world will not be replayed here in Canada.

To Atlantic Canada which is a part of the country that receives considerable benefits from visiting cruise ships this is very important. The cruise ship industry on the west and east coasts is very important to the country. We are proud to show the beauties and advantages of Canada to our visitors.

People the world over rely on Canada as a safe haven and a stable country that will provide safety and enjoyment while they are within our boundaries, including our offshore jurisdictions.

I do not think we can let these people down. We have to live up to this standard and in doing so we have to be prepared as Canadians to safeguard our visitors. This major piece of legislation will do just that.

Major commercial vessels, ports and other marine facilities which serve them are the second priority for preventive security regulation. Cargo vessels carrying dangerous substances, and ferries in ports where large numbers of people may be exposed should be adequately prepared to respond to security threats. Regulation envisioned for this segment of the marine industry is primarily in the domain of contingency planning.

The best time for preventive legislation is not after a disaster, it is before one can occur. I urge my colleagues in the House to support this legislation so that a preventive security framework providing appropriate and timely protection for Canadians and Canada's marine interests can be established.

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, Bill C–38 is a technical bill that tightens up measures pertaining to marine safety on passenger ships, ferries and others. It is the marine equivalent to similar bills that have existed for some time with respect to aviation. It brings Canada's marine industry more in line with similar legislation already passed in Britain, the United States and several of the more sensitive Mediterranean countries.

• (1020)

Communications with user groups and other affected people produce some concerns with the bill's original wording but virtually all of these concerns have been addressed by amendments made at the committee level.

The Reform Party supports this bill but does not intend to offer any further amendments or any additional speakers. It appears there is all–party support for the bill as amended.

It is very ironic that we have so much time to debate bills on which there is no dispute when the government saw fit to invoke closure last spring on a number of very contentious bills. The dictionary defines contempt as the feeling that a person, act or thing is mean, low or worthless. The invoking of closure was something the Liberals found contemptible when they sat in opposition. Somehow during the walk across the floor to the government side of the House their perspective changed. My position echoes their old position. In fact, I find the invoking of closure to be actually beyond contempt.

Since Bill C–38 is under the transport ministry let us look for a minute at other actions of this department as it is the body that is responsible for Bill C–38.

During the last federal election the Liberals were looking for some campaign issues to raise their profile. They found one in Toronto with the Pearson airport contract. They stated that the contract was a rotten one, full of crooked dealings between the Tories and their friends. They stated that if they were elected they would investigate this contract, expose the wrongdoing and then cancel it.

They left something out on the follow–up to that promise. They never exposed any wrongdoing. Was there any? We do not know, do they? There are two possibilities on this issue. One is that when the so–called independent review took place they could not find any wrongdoing. If so, they had a problem. After all, with all screaming about what a rotten deal the Pearson contract was, it would be embarrassing to admit they were wrong.

The solution to this scenario was to continue the claim that the deal was rotten, cancel it and make sure the legislation banning the contract holders from going to court where they might expose the fact that there were no rotten deals was passed. The other possibility is that they did find a lot wrong with the way the contract was obtained, but the guilty party was the Liberal connected portion of the contract holders. It would not do to expose that in court, so we have the same solution.

During the committee stage of Bill C–22 I offered an amendment that would require any settlements to flow through the transport standing committee. This would have kept the amounts of payment and the payees public. The public certainly had the right to know how this was being handled. Government members refused. I reintroduced the same amendment at third reading, but again the government voted it down.

The issue at stake was not so much the Pearson contract but rather the basic rights of Canadians, whether they were companies or individuals. If the government can arbitrarily revoke someone's rights, as it did in the case of the Pearson contract, it can do it anywhere, to anyone, in any situation, maybe even in the enforcement of the provisions of a marine security act. That is beyond contempt.

If questionable activities were limited to the transport problem that would be one thing. In that situation we could probably accept Bill C–38 at face value. However, revoking or ignoring the needs and rights of Canadians seems to be a general theme of this new Liberal Party with its new found perspective. This means we must look much closer at the emerging pattern provided by the Liberal cabinet in order to determine what is its real agenda.

For example, consider the Minister of Canadian Heritage and the recent developments showing that he interfered with the

activities of the CRTC. Further examination revealed that this was not the first time he had done so. That is beyond contempt. Further it underlines the concerns I have in dealing with Liberals in all areas, including Bill C–38.

The Minister of Human Resources Development recently tore a page from the Reform policy on funding for post–secondary education. We have advocated the use of student vouchers to channel federal moneys for universities through students to the universities of their choice. This would have neither increased nor decreased tuition for students. It was simply meant to be a more effective way to make the universities more responsive to the needs of students.

• (1025)

However the minister in tearing out that page must have left most of it behind. The proposal he made was to propose issuing a voucher that was in fact a loan repayable to the government, and then cut off federal transfer payments in support of post–secondary education. This would have effectively doubled tuition costs for students who are already having trouble affording an education. That is beyond contempt.

Bill C–38 deals with the security of those who use the oceans. In that context let us look at recent actions or the lack of action by the Minister of Fisheries and Oceans. Millions of west coast salmon have recently gone missing. Even though the salmon may never surface again, evidence that the recommendations of the Department of Fisheries and Oceans which may have prevented this catastrophe were ignored by the minister. This evidence is surfacing regularly. That is beyond contempt.

Safety and security are the main points of Bill C–38. The health and safety of the Canadian public were the subjects of a recent private member's bill dealing with HIV testing for immigration applicants, submitted by the member for Calgary Northeast. Although a few Liberals were prepared to go against the grain and vote in favour of the bill, unbelievably the majority under the direction of the Minister of Citizenship and Immigration defeated this basic measure to ensure the health and safety of Canadians. That is beyond contempt.

Enforcement measures under the marine safety and security bill will fall in some part into the realm of justice. Let us take a look at the integrity of the justice minister. This is the minister who was planning to introduce new restrictive firearms legislation without one shred of evidence it will do a single thing to prevent the criminal misuse of firearms.

This is the minister who stated: "I will not legislate according to head count. I will do what I believe is in the best interests of Canadians". That statement interprets to: "I do not care what Canadians want, I know what is best for them". That is a rather scary concept. We might have this same minister involved in decisions that challenge matters arising out of Bill C–38. I find the minister's attitude to be beyond contempt.

One thing we have not heard is when the government intends to invoke concerns about aboriginal people into this bill. It may well be that with potential land settlement claims eventually some port may end up being owned by an aboriginal group. If that happens the Minister of Transport would have to work in consultation with the Minister of Indian Affairs and Northern Development whose record on legislative fairness is the worst of all the ministers we have discussed thus far.

He is the minister who introduced Bills C–33 and C–34. These two bills were rushed through the House to the extent that the Liberals invoked closure to finalize the bills on which even aboriginal people were writing to us with their concerns. If the land settlements contained in these bills were to be used as a precedent for all aboriginal people in Canada, we would need a land area four times the size of my home province of British Columbia to settle. These bills establish self–government at an unprecedented level and apparently revoke the Charter of Rights and Freedoms from the aboriginal people affected by this bill. This type of action and attitude is beyond contempt.

The Prime Minister is the person who is ultimately responsible for all ministers and all legislation. Bill C–38 is no exception. He is the person who recently claimed to have consulted with the ethics counsellor but had not talked with him at all. He later stated that he had not met nor talked to the ethics counsellor personally, but rather had directed his staff to do so. All this time the Prime Minister was referring to advice that he received from the ethics counsellor. Now we find that no one consulted with the ethics counsellor. This is a measure of integrity from the person on whom the responsibility for Bill C–38 rests? Not only is this very unsettling, it is beyond contempt.

Let us look at the Standing Committee on Transport, the committee that dealt with Bill C–38. At a recent meeting this committee went through the process of electing chairs and vice–chairs for the committee. At that meeting I asked for the voting on positions to be done by secret ballot. The Parliamentary Secretary to the Minister of Transport objected to this request suggesting that the Reform Party was trying to introduce unacceptable secret dealings into the committee.

I was forced to point out to the parliamentary secretary that this procedure was recommended in the Liberal's little red book. What is more it is the very method by which the Speaker of this House is elected.

• (1030)

My motion was defeated and the Liberals once again elected a member of the party who is dedicated to breaking up this country to be the vice–chair of the transport committee. This procedure was repeated in every committee in this House. I find that beyond contempt.

I said at the beginning I would support Bill C–38 and I will. The reason I am supporting it is due in part to my consultation with users whose concerns have been addressed.

There is some potential for integrity on the other side. It is hopeful. Some members chose to vote in favour of the bill on HIV testing for immigrants. Notwithstanding the actions of the transport committee on the election of vice–chairs it appeared to be at most times a reasonable group working to resolve problems facing Canadians, I guess because there are no cabinet ministers who sit on committees. Because of this I will continue my support of the bill but it does not end my basic concern that the attitudes and actions of many government ministers in this House are beyond contempt.

[*Translation*]

**Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ):** Mr. Speaker, Bill C–38 to provide for the security of marine transportation now before us meets an obvious need. Our party is in agreement with the principle of this bill and approves the enforcement procedure. Rather than waste my colleagues' time, I will limit myself to recalling briefly the bill's objectives, its highlights and its reception by the stakeholders. Unlike my predecessor, I will leave considerations not directly related to the bill aside.

First, the objectives. The bill's objective is to introduce in the marine sector the same security principles found in the air and rail transportation sectors. Although these sectors have security measures regarding boarding, there are none in the case of marine transportation. The government cannot, therefore, intervene in emergency situations, such as when a vessel is threatened by unlawful activities or poses a risk to a port facility.

The legislation focuses primarily on transportation of passengers. Screening measures will be instituted in ports to ensure that weapons and other explosives are not brought on board. This measure is aimed at preventing hijacking, sabotage and hostage–taking.

We all remember the tragedy of the *Achille Lauro* about ten years ago—and we are only now considering action. A group of Palestinian terrorists took over a Greek ship by force and took the passengers and crew hostage. Since then, the International Maritime Organization has established security standards to be observed in port facilities and on vessels. These standards, which were first developed in 1986, were ratified by Canada in 1993. The purpose of the bill before us is to implement these security measures.

It should be noted that 85 per cent of passengers on cruise ships are Americans and that the American government carries out surveillance of port security measures worldwide. In certain cases, it may recommend that American citizens avoid certain ports. Guaranteeing security in our ports is a way of protecting our tourist industry.

The bill puts in place the legislative framework and authorizes the minister to make regulations to deny certain vessels access to Canadian waters and re–direct vessels posing security concerns to a secure place. For example, a vessel subjected to a bomb threat would be directed to proceed to a place where it poses less of a security threat to persons, vessels and marine facilities, before undergoing authorized screening by Canadian officers.

The bill makes it illegal for passengers or crew to have on board weapons or materials such as explosives that could be used as weapons. It will apply to all vessels in Canada, whether registered in Canada or not, and shipowners and port authorities will be required to install a security system including sensor equipment like the ones used in airports. The legislation will also apply to port facilities and drilling rigs. Naturally, vessels and facilities under National Defence authority will be exempted.

• (1035)

The legislation will have teeth: in the case of a corporation, the maximum fine will be $200,000. I might add that the bill was well received by the community. It met with the full approval of the St. Lawrence Seaway Authority and the Canada Ports Corporation.

For these reasons, the Bloc Quebecois will support Bill C–38.

[*English*]

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, with your permission I would like to add my voice to those who have addressed this House today in support of the Marine Transportation Security Act, Bill C–38.

The primary purpose of the Marine Transportation Security Act is the prevention of violent acts which could result in the loss of lives or impairment of the national transportation system. It is necessary however to also consider the financial implications of the bill before us now.

This government has a responsibility but even more this government has an obligation to ensure the security in marine transport, not only for Canadians but for our guests and visitors to this great country.

The Government of Canada has promised that regulations subsequent to this act will be made in full consultation with interested parties, consultation which is beyond that normally required for regulation. These consultations will include parties which have already contributed a great deal to the development and promotion of good security practices in Canada such as

Canada Ports Corporation and the North West CruiseShip Association.

I know that my colleague, the Minister of Transport, will ensure that such consultations are pursued with full vigour in order to ensure achievement of the optimum method of protecting the system while at the same time enhancing its competitiveness.

This legislation has been specifically designed with the flexibility to require enhanced security measures when threats are increased thereby requiring minimum expenditures in time and dollars when there is no apparent danger. This approach is in keeping with the current lack of threat to Canadian marine interests. The government has also promised to utilize to the fullest extent possible best industry practices and performance standards instead of detailed technical specifications. These commitments by the government will result in the most appropriate regime at the very lowest cost.

Very little in this world is free. The financial resources that a regulatory regime pursuant to this act will require the marine industry to expend are truly very minimal. We know that most passenger vessels have the technical and human resources to comply with very little effort should they choose to do so.

Unfortunately because Canada has such a good reputation as a safe destination, a safe haven, some operators tend to be less than diligent here in their observation of security precautions. This legislation will help ensure that passenger vessels do the things that are necessary and not only the things that are minimal to avoid becoming victims of unlawful acts while in Canada.

Other elements of the industry such as major cargo vessels, major ferries and the ports which serve them will have to expend a small amount of time to develop and practise contingency plans and conduct security surveys. Employees of major Canadian ports will also have to take basic preventive security training in line with regulatory requirements. Many of the ports implicated already have security plans and surveys. Some go well beyond the requirements envisaged.

● (1040)

For those areas that will have to expend limited resources, it is certainly not more than would be required to conform with good business practice and management. The government will add from its existing base of expertise in the Department of Transport, administration, training, monitoring and co–ordination resources that will make the sum of the security efforts greater than the individual parts.

The international cruise trade is worth hundreds of millions of dollars to Canada annually. This trade over the last 10 years has grown at an average of 10 per cent a year. It shows no sign of abating. One incident of violence against a cruise vessel in the Mediterranean, the *Achille Lauro*, resulted in major losses, direct losses to the Greek economy of more than $300 million U.S. This does not account for losses in subsequent years of recovery. The preventive insurance this bill proposes is insignificant in comparison to such potential losses.

My colleagues have pointed out that other nations have increased their marine security. In particular, we know that the U.S. has security legislation already in place and that it will likely implement a marine security regime this year. The U.S. already has the authority to issue travel warnings regarding destinations it considers not to provide adequate security. I would remind members of this House that approximately 85 per cent of Canada's cruise ship trade is made up of American citizens. They come to Canada because they feel safe in Canada.

It would be folly to treat visitors to our land or indeed to treat Canadians themselves moving within each jurisdiction within this land with less concern and less respect than our American neighbours do. Will we not be good hosts as many nations already are, requiring security which adds to the ultimate enjoyment of travel? I would suggest that considering the cost of the security proposal before us, failing to offer it to our guests and to Canadians alike would be like buying friends a meal in a fine restaurant but refusing them a dinner mint after because of the cost. Failing to provide adequate protection certainly runs the risk of discouraging tourism and losing important revenue.

It was only last week that our Prime Minister was speaking on tourism for Canada, admitting that we will put money, billions of dollars, into the industry luring international conventions and trade to come here. They will come here because they feel good about Canada and they feel safe about Canada. Their interests will be better protected with this legislation.

I do not think I am far out on a limb when I suggest that safety in travel is a primary concern of all travellers, for all citizens. All responsible nations, including Canada, have a range of laws to ensure that our planes, trains, ships and cars travel with security. Now it is time that we ensure that marine travel is also guaranteed that same security. We offer to our people less safety and perhaps a threat of death if we do not engage in this legislation in this House. We have still more laws governing operation of the transportation system such as capacity to drive rights of way, waterways, roads, et cetera. People simply would not travel if they were in fear of tragedy of death en route.

None here can have forgotten the tragedy of the Air India disaster. Security in mass transportation is as critical as a failed engine or as an impaired driver. It is an important element that travellers and tourists need and want and that we must ensure.

• (1045)

The Saint John *Evening Times Globe* in a March 4 article about cruise lines stated: "For passengers from Miami, New York and Los Angeles security is a huge consideration. Cruise lines like to go places where they know their passengers are safe, and not just from pickpockets but safe from terrorism and the whole works". They want safety first. There can be little doubt that security is critical to life, but it is important to competition and to the economy and cannot be overlooked.

I urge my colleagues to support the bill to ensure that Canada has this important competitive advantage. In so doing it will ensure that visitors to Canada enjoy the beauty of the country, the serenity of the landscape, and arrive and depart with memories of Canadians that will live on forever and, above all, will ensure their immediate and quick return to Canada.

I live in Nova Scotia. I live on the water. Cruise ship lines come into our ports annually. Their great desire to come to these small ports, to these unique and scenic landscapes, is growing immensely. It increases more than 10 per cent a year in the east. We look forward to promoting it even more. The potential is tremendous not only for the pleasure of it but for the economic value. Those people tell us in the follow up reports that they love Canadians and want to come back.

I urge my colleagues to support the bill. It is imperative and obligatory that we serve Canadians and our visitors with dignity and security of safety.

**Hon. David Anderson (Minister of National Revenue, Lib.):** Mr. Speaker, it is with great pleasure that I rise following the very eloquent remarks of my colleague who has described the importance of the legislation from an east coast perspective. I concur in what she said about the importance of the industry. It is important not only for Quebec, the Gulf of St. Lawrence area, Nova Scotia and indeed all Atlantic Canada but it is immensely important on the west coast.

What has been introduced by the parliamentary secretary is enabling legislation that will allow regulations to be put in place and, in addition to regulations, some security measures and rules. Some are of less importance, less legal standing than regulations, but nevertheless are legislation, security measures or rules. They all have the same objective: to ensure a greater level of safety for the cruise ship industry operating in Canada. This is very important. My colleague has very correctly given some figures. I may be repeating one or two of them. However the cruise ship industry is estimated to be worth $500 million to Canada's economy.

Let me remind the House that we are facing a tourist account deficit in the country of $8 billion per year. This is a major financial hemorrhage to the national accounts. Every effort must be made by Canadians over the next few years to rectify that balance and to improve the opportunities in Canada for tourism. That is precisely what my colleague's legislation will do.

Cruise ship operations create a demand for port services. Victoria and Vancouver in particular are very fortunate to have the opportunity of taking advantage of foreign ships, which may be of Panamanian, Dutch, German or British registry, that come to our ports and then take people north up the inland passage and ultimately to Alaska.

Generally the process is for the passengers to get off at that point, participate in some tourism in Alaska or in Yukon, which is very important to those areas, and then fly back to their home destinations. At that point another group of tourists will arrive by air and board the ship for the return trip to Vancouver and Victoria. In our cities they live aboard the ship. However once the ship turns around with another group of tourists to go home, many of the people stay behind for a few extra days.

• (1050)

Cruise ship companies are enormously supportive of efforts to extend the tourist period of their passengers in Canada and, I might add, in the area of the United States adjacent to us. We are trying to keep them in B.C. and Washington. We are trying to give packages. I give cruise ship companies full credit for the efforts they make to assist us in having the people stay longer in our part of the world. They have allowed promotional materials and packages to be promoted on their vessels, which is immensely helpful to our balance of payments position.

Virtually all operating vessels are registered outside Canada. Most of them are not of American registry. Most are from outside North America. We are getting a few more of the so–called pocket cruise ships with anywhere from a hundred to a couple of hundred passengers on board. Some have even fewer than that. They are important as well. A new niche area is the private yacht type cruise with 50 or 150 on board, not the massive cruise ships as we know them. There is expansion in the industry. People are moving into different areas which have not been exploited previously.

The Canadian shipping industry in Canada has been depressed in recent years because of rising costs, changes in Canadian ownership requirements and, very important, the recession. As my colleague mentioned, in the cruise ship industry there have been 10 consecutive years of growth and an increase of 190 per cent in traffic in that period.

In 1991 there was a total of approximately 714 cruise ship sailings, nearly half a million embarking passengers and a total number of passengers of nearly three quarters of a million. I should add that it is still increasing dramatically.

Thanks to American legislation it is more advantageous for a foreign flag vessel to use a Canadian port. The Jones act requires that American ships be used between two American ports. Going up to Alaska it is advantageous to foreign ships to use Canadian

ports. If they could not do so they would simply be out of the business.

We know well of the importance of safety to this industry. We know well because there have been a series of accidents, fires in particular, in the Caribbean and elsewhere which have led to loss of life. We have all heard of the tragic loss of a ferry in the Baltic in recent weeks. It is an industry which can be dramatically affected by accident.

It is also an industry that can be dramatically affected by other people's regulations. I remind the House of the impact of American regulations on the Caribbean cruise ship industry some years ago following a series of fires that essentially enforced American law throughout the Caribbean regardless of the flag of the vessel involved.

With the legislation we are trying to put in place a system whereby we will be able to regulate and put in place security measures and rules for vessels so that we can guarantee the goose will lay a very important golden egg. We want to ensure that we keep costs to the industry down.

Our belief is the extra cost that could possibly come as a result of these measures would be less than $1 per passenger and probably closer to 80 to 85 cents. The extra cost would not be borne by Canadian taxpayers or by Canadian ports but by the industry. I might add that many cruise ship companies will have absolutely no extra costs as a result of meeting Canadian regulations because their standards are extremely high; they have very safe and seaworthy vessels at all times. This is not a major expenditure item that will impact adversely upon the industry.

• (1055)

I do not know the exact amount of time, but we will have some period of time after the legislation comes into effect to consult with industry and analyse the impact, where the costs can best be borne and how the charges can best be made. We will ensure we work as closely as possible with other regulatory agencies internationally to ensure that we do not get out of sync with international regulations.

We will be able to show to potential tourists that we have a system in place in Canada which will go a long way toward assuring their safety at sea. There have been accidents in Canada. Cruise ships have hit rocks or had other unfortunate mishaps. It is important for us to be able to show that we have gone an extra mile and have done what was necessary to ensure safety in the industry.

As a west coast person I rise to join with my colleagues from elsewhere in supporting this piece of legislation. Its major purpose is the safety of people who use cruise ships that are major contributors to a very important and growing area of our tourist industry. Given the balance of payments considerations I repeat the importance of having everything possible done to insist that we in Canada gather the maximum advantage from tourism. This is the type of low cost measure that will assist us in doing so. Therefore I am delighted to be here in support of the legislation.

(Motion agreed to, bill read the third time and passed.)

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## POINTS OF ORDER

NEW DEMOCRATIC PARTY

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I rise on a point of order to clarify matters that have appeared in the press today which may have an impact on question period or later in the day in the Chamber.

The New Democratic Party caucus has for some time expressed concern about its ability to raise issues in question period on behalf of those Canadians who are looking for alternative views and questions to be discussed in this place.

This week as a caucus we have taken a specific analysis of question period to the Speaker. That analysis is currently being examined by the Speaker and the clerks at the table. As a caucus we are waiting for the Speaker to complete his review of our concern. We are then prepared to meet with the Speaker to discuss how we can improve our access to question period to ensure the views of all the people who voted for us in 1993 and who support us today are heard in this place.

Our caucus concerns remain, but as a caucus please let it be understood that it is not our intention to imply in any way the Speaker is or has shown any favouritism during question period.

On behalf of the New Democratic caucus in Parliament and as the House leader for the New Democratic Party, I say that we are looking forward to continuing our discussions with the Speaker.

**The Acting Speaker (Mr. Kilger):** I thank the hon. member for The Battlefords—Meadow Lake for making that clarification to the House at the earliest opportunity.

It being 11 a.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

# STATEMENTS BY MEMBERS

[*Translation*]

## DOWN'S SYNDROME AWARENESS WEEK

**Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.):** Mr. Speaker, I would like to remind members of the House that Down's Syndrome Awareness Week runs from November 1 to 7, 1994.

About one person in 700 is born with Down's syndrome. During this week, the Canadian Down's Syndrome Society is making the public aware of the abilities, strengths and needs of Canadians who have Down's syndrome.

For a child or adult, as well as the parents, family and health, education and social science professionals, Down's syndrome is a challenge which must be met so that everyone with this syndrome can develop their full potential.

Together let us wish the Canadian Down's Syndrome Society an excellent awareness week!

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## GOVERNMENT SPENDING

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, on Wednesday, the President of the Treasury Board tabled in this House the federal government's regular Supplementary Estimates, which call for additional expenditures of $1.9 billion. They show that the Liberal government intends to spend $5.3 billion more than originally anticipated.

The Minister of Finance plans to spend another $3.3 billion on debt servicing because of his mistake in forecasting interest rates. This increase is offset by a $3.4–billion reduction in UI benefits.

Without this reduction in UI benefits, this week's Supplementary Estimates would have amounted to $5.3 billion instead of $1.9 billion. When will UI benefits be cut next? The next time interest rates fluctuate! The Minister of Finance and his Treasury Board colleague should tell us so clearly.

* * *

[*English*]

## JUSTICE

**Ms. Margaret Bridgman (Surrey North, Ref.):** Mr. Speaker, this week is Community Safety and Crime Prevention Week. It has special significance for me and my constituency of Surrey North because of the many tragedies that the community has experienced in the past few years.



The list of victims keeps getting longer: Jesse Cadman, Sian Simmonds, Laurie Wood, Linda Williams, Chris Lussier, Paul McDaniel, Graham Niven, Sukhjit Sangha and now Pam Cameron.

It might be expected that tragedies such as this would sap a community of its strength. Instead the people of Surrey have been galvanized by these tragedies and have become proactive in preventing further misfortunes. Community groups such as CRY have sprung up and have been able to turn the anger of individual citizens into a constructive group trying to change our justice system.

Let this week become a constant reminder of the need for legislation conducive to establishing and maintaining a constructive and co–ordinated partnership involving the laws, the enforcers and the citizens.

* * *

## REMEMBRANCE DAY

**Mr. Rey D. Pagtakhan (Winnipeg North, Lib.):** Mr. Speaker, I take this opportunity today to speak to the occasion of Remembrance Day, which falls next Friday, November 11.

It reminds us of our veterans, of our heroes, living or dead. It reminds me today of one World War II hero from my riding of Winnipeg North, Pilot Officer Andrew Mynarski, to whom a memorial was dedicated last June 12.

Officer Mynarski in a real sense was the very archetype of a hero in that he gave his life that others may live in freedom, in peace and in prosperity. Thus he exemplifies the service, courage and self–sacrifice that our veterans have displayed throughout Canada's history.

On this occasion it is not only a reminder to all Canadians to remember their heroic deeds but a reminder to us in Parliament to assist veterans and their families in their independent living that is their due.

Remembrance Day is an occasion to recall the deeds of our heroes, the sacrifices of their families and to do our public duty to them.

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## MICHAEL SMITH AWARD

**Mr. John Murphy (Annapolis Valley—Hants, Lib.):** Mr. Speaker, earlier this week Acadia University's division of continuing education in my riding of Annapolis Valley—Hants was selected as the recipient of the 1994 Michael Smith award for science promotion.

This award is presented to individuals and groups that have demonstrated strong efforts to encourage young people's interest and abilities in science, technology, engineering and mathematics. Staff and students alike can take pride in being recommended by a jury of their peers in science promotion and education.

Acadia University and its division of continuing education have long been considered centres for science education.

I had the pleasure to attend this ceremony in Ottawa and I am proud of the accomplishments of this outstanding program.

● (1105)

I encourage all members of this House to join me in saluting this achievement by Acadia University.

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[*Translation*]

## ENERGY

**Mr. George S. Rideout (Moncton, Lib.):** Mr. Speaker, today I wish to give the House an update on the program to increase energy efficiency.

[*English*]

Next week in Bathurst the energy and environment ministers will get together to discuss voluntary measures to increase energy efficiency.

In September of this year the federal ministers of natural resources and environment along with the provincial representatives of this initiative sent letters to about 250 CEOs of major companies involved in industry such as forestry, manufacturing, and oil and gas seeking voluntary commitments to limit greenhouse gas emissions. To date we have received about 100 replies indicating an overwhelming support for such measures. This support should be duly recognized.

May the efforts of the ministers next week in New Brunswick advance this important initiative.

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[*Translation*]

## SOVEREIGNISTS

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, yesterday, a government member castigated the Bloc Quebecois for the success of its festivities marking the first anniversary of real power with our friends, the Premier of Quebec, many Quebec ministers and over 800 supporters.

Quebec sovereignists are not afraid of appearing in broad daylight to show their allegiance to a sovereign Quebec. Sovereignists always meet openly.

However, the Prime Minister of Canada and Daniel Johnson meet secretly behind closed doors, taking special care not to alert the media. Federalists are preparing for the referendum battle, which is fine. But they should do so openly.

Stop hiding and use the same weapons we are using, namely frankness, intellectual honesty and openness. Face to face, I have no doubt that we will win.

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[*English*]

## GUN CONTROL

**Mr. David Chatters (Athabasca, Ref.):** Mr. Speaker, through a well timed leak we understand that the Minister of Justice now has the Liberal caucus on side on the issue of gun control.

The compromise agreed upon would be a voluntary registration of all guns over five years at which point it would become mandatory. I say what an absolutely spineless, weak kneed cop out on the interests of their constituents.

The Minister of Justice and the Prime Minister say all Canadians register their motor vehicles so why would they object to registering their firearms. I respond to that by saying that the registration of motor vehicles in great measure has been a move to tax Canadians for the use of their motor vehicles. This move to register all firearms in reality is a move to allow this government to tax all firearms to pay for this unjust firearms control policy and the bureaucracy it creates.

I ask all those backbench Liberals who would support this proposal, is this representing the interests of your constituents or are you simply hanging your heads in front of the Liberal whip?

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[*Translation*]

## GUN CONTROL

**Ms. Mary Clancy (Halifax, Lib.):** Mr. Speaker, violence is unacceptable in our society and women are particularly exposed to that problem.

Indeed, firearms are used against women in family homes. The majority of firearms used in domestic homicides are legally obtained. The presence of firearms in the home is dangerous.

Our government is taking concrete measures to make our streets and our homes safer by passing more strict legislation on gun control. I was pleased to hear representatives of the Coalition for Gun Control and of women's groups remind us of the importance of the measures which we intend to take in that regard.

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[*English*]

## GOVERNOR GENERAL SCHOLARSHIP

**Mrs. Dianne Brushett (Cumberland—Colchester, Lib.):** Mr. Speaker, last week I had the great honour of presenting

three Governor General scholarships in environmental sciences to three Nova Scotia women studying at the Nova Scotia Agricultural College.

Tracy Shinners, Charlotte Stratton and Danielle Vienneau were the only three university students in eastern Canada out of a total of 25 in Canada to receive this high scholastic award in environmental sciences. All three students attend the Nova Scotia Agricultural College and all three plan to seek post-graduate degrees in environmental science and medicine.

This high academic achievement speaks very well and very highly not only of our students but of the professional staff at the Nova Scotia Agricultural College. I congratulate them in this prestigious House for their very good work.

* * *

• (1110)

[*Translation*]

## GUN CONTROL

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, yesterday we learned that a group of Liberal MP's wrote a report on gun control in which they ask the Minister of Justice to put the accent on harsher sentences for crimes committed with arms.

Those Liberal members are therefore endorsing the philosophy of the arms lobby, which believes in imposing harsher sentences to criminals in order to stop violence.

However, the American experience shows that, without any doubt, such an approach is doomed to failure.

Moreover, the recommendations of those Liberal MP's go against the commitments made by the Prime Minister himself last spring.

The Bloc Quebecois is in favour of more effective control regarding firearms, so as to make them harder to get for criminals. We urge the government not to listen to the right wingers in the Liberal Party, as in the case of young offenders.

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[*English*]

## REMEMBRANCE DAY

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, next Friday in cities, towns and villages across this land Canadians will gather to remember our war dead and to give silent thanks for the years of peace bought with their sacrifice. Those brave men and women gave up their families and homes to fight Canada's wars, many of whom never saw this land again.



This is a special year of remembrance for those who fought in World War II. Along with our veterans we will honour those who gave their lives for democracy and freedom 50 years ago.

In the peace and tranquillity of this land, this exceptional country, war may seem far removed. Let us remember that our peace was bought with the blood of our sailors, our merchant seamen, our soldiers and our airmen.

I call on all Canadians on November 11 and during this special year of remembrance to think of those who are not with us here today because they found this country to be something worth fighting for, something worth dying for.

We must never forget.

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## ETHANOL

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, in a recent announcement that the government may ban the octane boosting gasoline additive MMT by January, the Minister of the Environment suggested that this ban would foster the development of safer grain based ethanol alternatives and that Canada plans to promote the development of ethanol in other countries.

I support the development of the ethanol industry in this country, including specific proposals from communities such as Big River and Turtleford in my own Saskatchewan constituency.

In this regard I would urge the Minister of the Environment to take action that would support community based ethanol development in Canada, including extending the present 8.5 cent per litre federal excise tax exemption for ethanol.

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## WALLACEBURG

**Mr. Rex Crawford (Kent, Lib.):** Mr. Speaker, the good news continues as we courageously climb out of the recession.

The town of Wallaceburg in my riding is leading the way. Seventeen of 24 local industries either have expansions under way or are planning one in the near future. Just a few examples: AAR-KEL is adding 2,000 square feet; Durachrome is putting on a 15,000 square foot addition; and Accurcast leads the way with a new 32,000 square foot expansion with new die cast machines.

The growth in the industrial area of this community bodes well for a brighter employment picture. Wallaceburg is the sparkplug of Kent county's economy. I applaud local workers and industry leaders for their confidence in the future.

Liberal policies are working to instil a new spirit in Canadians. It is truly good news.

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## TOYOTA MOTOR CORPORATION

**Mr. Janko Peric (Cambridge, Lib.):** Mr. Speaker, the people of Cambridge received some great news yesterday. Toyota Motor Corporation announced that it will be expanding its operation in my riding of Cambridge by investing an additional $600 million in its Corolla plant.

This move will create an additional 1,200 direct new jobs and hundreds of jobs in spinoff industries by 1997. Production at the plant will increase from 80,000 to 200,000 vehicles per year.

Yesterday Toyota informed the rest of Canada and the world that Cambridge is a community with a skilled workforce, one worthy of investment.

I would like to thank Toyota for having faith in the people of Cambridge and of Canada. I look forward to a long and good working relationship with this exceptional corporate citizen.

* * *

• (1115)

## EDMONTON

**Mr. John Loney (Edmonton North, Lib.):** Mr. Speaker, Edmonton is noted for having one of the largest urban parkland areas per capita in North America. This spectacular river valley park system, combined with the city's role as the gateway to the northern forests of Alberta, led to the designation of Edmonton as the 1994 national forestry capital.

The purpose of this designation is to promote a better understanding of the dynamic nature of sustainable forests, to highlight the significance of the forest industry on the economic prosperity of the community and to recognize the historical contribution of the forests to Edmonton for two centuries.

Recently I had an opportunity to participate in the ceremonial sod breaking for the John Walter Forest Interpretive Centre. The Interpretive Centre is part of a major legacy project involving a forest capital trail in the river valley and other educational projects.

The John Walter Interpretive Centre is an excellent example of what can be achieved when all levels of government, industry and community interest groups work together to achieve a common goal. The Interpretive Centre will be a major educational legacy for future generations.

I would like to congratulate the city of Edmonton and the organizers from the Forestry Capital of Canada Society for having the vision and initiative to undertake this impressive project.

# ORAL QUESTION PERIOD

[*Translation*]

## UNEMPLOYMENT INSURANCE

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, my question is directed to the Minister of Finance.

Within less than a year, three different estimates of the balance of the Unemployment Insurance Fund were announced. Last March, there was a deficit of $216 million; in September, a surplus of $240 million; and in October, a surplus of $2.2 billion. This week, the Supplementary Estimates indicated that this year, there has been a reduction in $3.4 billion of unemployment insurance benefits.

Would the Minister of Finance confirm that the Unemployment Insurance Fund will have a surplus in excess of $2 billion this year and that the surplus will be used to reduce the cumulative debt of the fund?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, at the beginning of the year, the Unemployment Insurance Fund had a deficit of around $5.9 or $6 billion, I believe.

This year, we expect a surplus for the current year. However, that will still leave us with a cumulative deficit in the account. I think it would be premature for me to give any figures, which will certainly be less than $6 billion, but I think we will have to wait until the end of the year. In any case, at that time we will still have a deficit.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, when he brought down his budget, the Minister of Finance said that premium increases were killing jobs and that he would create 40,000 jobs by reducing these premiums starting next January.

What explanation does he have for the fact that with a surplus of $2.2 billion, a surplus that is growing very rapidly, he did not immediately announce a reduction in unemployment insurance premiums in order to create thousands of jobs? Was that not his priority?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, I repeat that despite this year's surplus, the cumulative UI account will show a deficit. Obviously, we will have to eliminate that deficit before we have a cumulative surplus.

That being said, the hon. member is quite right when he says that we want to reduce unemployment insurance premiums. We certainly do. In fact, that is the position I announced before, and it certainly is the position of the Minister of Human Resources Development.

What is even more important is, that when we lower unemployment insurance premiums, we will be able to keep them down. This means we must be able to give the business community the assurance that the account is in good enough shape to keep premiums down.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Minister of Finance made a slip that was very revealing. He referred to bringing down unemployment insurance premiums. In fact, we now know that he is far more inclined to reduce the benefits paid to the unemployed than to reduce the premiums paid by workers.

• (1120)

Would the minister agree that this enormous surplus in the Unemployment Insurance Fund, which, I may add, is growing very rapidly, was partly accumulated at the expense of workers that the government's social security reform has excluded from the unemployment insurance program and thus prevented from drawing benefits?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, I repeat, the unemployment insurance account still shows a deficit. We will have to deal with this deficit, and that is what is happening.

I would have thought the hon. member would wish to commend us, as the government, for the fact that as a result of our economic philosophy, we are at last bringing down this deficit and putting ourselves into a surplus position.

I may add that the reason we are now bringing down the deficit and giving ourselves a surplus is, that as a government, we are creating jobs at record levels. I am very pleased to say that the unemployment rate in Quebec went down again this month.

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## PHARMACEUTICAL INDUSTRY

**Mrs. Madeleine Dalphond–Guiral (Laval Centre, BQ):** Mr. Speaker, Bill C–91 protects pharmaceutical manufacturers who invest in research and development; they have major investments in the Montreal area.

In most industrialized countries, these manufacturers benefit from legislation that protects the results of their research for at least 20 years. Now, manufacturers of generic products, most of whom are in Ontario, have put tremendous pressure on the government to eliminate these same guarantees in Canada.

My question is for the Deputy Prime Minister. Given the importance of the brand–name drug industry in the Montreal area and the concern raised in this industry by the attitude of some Liberal members, can the Deputy Prime Minister rule out any threat to amend Bill C–91 and its regulations?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, the hon. member's question seemed to suggest that only Liberal members were interested in this issue. Obviously, the people throughout the country who have to pay the cost of drugs, organizations of all kinds, seniors and so on are very interested in it as well.

I want to assure my hon. colleague that although a committee of the House is looking at Bill C–91, the Government of Canada is very clear in its commitment to check all the data concerning this law, as the law itself provides, or any other legislation which must be reviewed at the appropriate time.

The original law already provided for a review of Bill C–91 at some point. We will do what must be done, but do not believe that just because a House committee is looking into some issue, the government's policy will change.

**Mrs. Madeleine Dalphond–Guiral (Laval Centre, BQ):** Mr. Speaker, my supplementary question is for the minister responsible for the Montreal region.

Could the minister for once defend the interests of the Montreal region and formally commit himself in front of this House to defend Bill C–91 in Cabinet and against all comers?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, we will obey the law, which requires us to review the regulations before 1997. We will obey the law and I hope that the member opposite wants us to obey the law.

* * *

[*English*]

## IMMIGRATION

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, the government recently released its much ado about nothing immigration plan for 1995.

Included among the things that were expected to be reformed but were not was the strengthening of the enforcement branch of immigration. No firm action was taken to beef up Canada's woefully inadequate deportation system. The government said that Bill C–44 would ensure that those who are ordered deported actually get deported.

My question is very specific. What effect would Bill C–44 have on those who have been ordered deported for violations of immigration law as opposed to criminal law to the minister of immigration?

• (1125 )

**Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I thank the hon. member for his question.

I hope it means that the hon. member and his party will be supporting Bill C–44. Bill C–44 will ensure that deportations take place in the required time with all due speed and that the laws of Canada are properly enforced.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, six filing cabinets full of deportation warrants were recently discovered in Ontario. Tragically, they were discovered in the same office as the misplaced deportation file of Clinton Gayle who stands accused of killing a Toronto police officer.

These warrants are for violations of immigration law. Therefore they are not subject to any of the terms of Bill C–44, are not addressed by the 1995 immigration plan and would not be given priority by the minister's so–called task force.

Why has the government, the minister and the department done nothing this year to address the enormous and dangerous backlog of removal orders relating to immigration violations?

**Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I want to again thank the hon. member for his question. I am delighted he asked it because a number of misconceptions are out there with regard to the story.

It was an inaccurate story. These files were not lost. They had been screened by the department of immigration. They have been input into the Canadian police information computer and are in the process of being input into the immigration department's computer.

I want to reassure the member that things are going as they should. I thank him again for his question and the opportunity to set the record straight.

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, the parliamentary secretary is making much ado about the tiny steps that have been taken to push criminal immigrants out the back door while she and the immigration department and refugee board appointees, at least one of whom was an illegal immigrant, are allowing with no screening whatsoever thousands of refugees with criminal records in through the front door.

Will the minister or parliamentary secretary admit that the RCMP refugee identification section has found in the first part of this year that fully one–quarter of all successful refugee claimants to Canada were identified after the fact as having criminal records or having made multiple illegal refugee claims?

**Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, as the hon. member knows or should know, this problem is one that affects all refugee receiving countries.

The minister travelled to Russia very recently to deal with international concerns in this matter. An international conference will be taking place within the next month to deal with this very serious matter.

Again I am delighted that the member has shown such an interest. I hope this means his party will be supporting Bill C–44 and our endeavours to clean up problems with regard to criminality.

* * *

[*Translation*]

## THE ENVIRONMENT

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, my question is for the Minister of the Environment. At the Rio Summit, the previous government undertook to stabilize carbon dioxide emissions responsible for the greenhouse effect at their 1990 levels, and to do so by the year 2000. In their red book, the Liberals went further, promising to cut these emissions by 20 per cent from 1988 levels by the year 2005. But the Minister of the Environment has admitted publicly for the first time that she will not be able to fulfil this election promise.

Does the minister still intend to fulfil one of the most basic environmental undertakings in the red book, namely cutting greenhouse gas emissions by 20 per cent from 1988 levels?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I never said that we would not fulfil our commitment. What I said is that, in order to achieve a 20 per cent reduction, as provided by government of Canada policy, co–operation will be required from both the private sector and the provinces. That is why I am really looking forward to seeing, on Monday, what policies the governments of Quebec, Alberta and British Columbia have, so that we can develop a plan of action not only for federal institutions but also at the provincial level. We need the support of the provinces to succeed. I hope that the hon. member opposite will speak to her Quebec counterpart to convince him to develop a plan of action in conjunction with the federal government.

**Mrs. Monique Guay (Laurentides, BQ):** Mr. Speaker, how can the minister reconcile the answer she just gave with a recent statement made in Vancouver to the effect that the government did not think it would be able to fulfil its commitments with respect to greenhouse gas emission control?

• (1130)

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, last week, the hon. member opposite said that we could not have a Canadian environment act because environmental issues fall under provincial jurisdiction. Her leader approved of the bill, yet voted against it.

Today, she is suggesting that a plan of action affecting industries in every province be developed without getting the provinces involved.

As I said—I repeat it here today and I will repeat it in Bathurst on Monday—the federal government will do its utmost to try and achieve a 20 per cent reduction, but we need the co–operation of all provincial governments, including the Quebec government. And I do hope that Mr. Brassard will join us.

* * *

[*English*]

## SALMON FISHERY

**Mr. John Cummins (Delta, Ref.):** Mr. Speaker, a Department of Fisheries and Oceans document reveals that on March 25 of this year, three months before the opening of the salmon season, senior fisheries officials on the west coast were warning of a disaster if the level of enforcement was further downgraded on the Fraser River. They warned of a "repeat of the missing sockeye problems that occurred in the 1992 season".

Why did the minister ignore these warnings and initiate the reduction in the enforcement effort which led to the disaster of 1994?

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I thank the member for his question. I know of his genuine concern about the state of the salmon stock. Many stakeholders in British Columbia are concerned about the state of the salmon stock.

I do not know what document the member is referring to. It is evident that many enforcement officers who work for DFO in the Pacific region have expressed concerns through the system about the state of enforcement. Indeed, as I said several weeks ago, many of those concerns and detail have not reached me.

It is for that reason two nights ago, for two and a half hours, that I as Minister of Fisheries and Oceans sat down with 40 enforcement officers from all over the Pacific region to hear from them firsthand their concerns about the state of the stock and their suggestions for improving the situation.

I have given them a commitment that I will come back to them through the department with a solid plan within our fiscal means to ensure proper enforcement everywhere the salmon run to do the job that is necessary.

**Mr. John Cummins (Delta, Ref.):** Mr. Speaker, I warned the minister last spring and others tried to and he refused to listen.

As we learned on BCTV last night, rather than accept blame for his incompetence the minister is fanning the flames of racism by saying: "The biggest goddam conservation problem on the Fraser River is the Sto:Lo"—

**The Acting Speaker (Mr. Kilger):** Order. I would urge members feeling as passionately and as strongly as they do in this place of vigorous debate on all issues of importance, and this one specifically, to choose their words carefully.

**Mr. Cummins:** Mr. Speaker, I was quoting the minister. He said: "The biggest—conservation problem on the Fraser River is the Sto:Lo". Will the minister admit that he is afraid that a real judicial inquiry will simply point the finger at his own incompetence?

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, if anybody has been playing games that seek to generalize about an entire group of people, an irresponsible attitude about an entire group of people in the fishing industry, it is the Reform Party that does it with respect to Canada's First Nations, that does it with respect to Canada's immigrants, that does it with respect to Canada's poor, that does it with respect to anybody who does not have a right wing, narrow minded, bigoted attitude about people in the country.

**Mr. Cummins:** That is wrong.

**Mr. Tobin:** Mr. Speaker, let me say something. What I have said in the province of British Columbia, what I have said to everybody I have—

**Mr. Cummins:** We know what you said right here.

**Mr. Tobin:** Excuse me, you have asked a question. Now take the answer.

**The Acting Speaker (Mr. Kilger):** Order. First I remind everyone to direct their interventions through the Chair. Second, in order that we might get as many questions and answers on the record as possible today, both should be succinct and brief.

**Mr. Tobin:** Mr. Speaker, what I said to every one of the groups I met in British Columbia—and I met with aboriginal leaders, the leadership from the commercial sector and people from the sport and recreational sector—is that all groups without exception, if the truth is to be heard in this place, must accept obligation for conservation, enforcement and compliance whether they came to this nation first or came to this nation last.

• (1135)

If the member is not trying to cull selectively from meetings, I said that whenever there is a problem in whichever group there is a problem, be it commercial, sport, recreational or aboriginal, we will stand, call the problem a problem and bring about the necessary enforcement measures.

* * *

[*Translation*]

## MIL DAVIE SHIPYARDS

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, the Hibernia consortium recently awarded an untendered contract to Saint John's Shipbuilding in New Brunswick. This $35–million contract represents several hundred jobs. This decision is outrageous since the MIL Davie shipyard in Quebec had already bid

on this contract, unlike Saint John's Shipbuilding which never did.

My question is for the minister responsible for regional development in Quebec. How can the minister explain that he did not step in to keep the Hibernia board of directors from awarding without tender a $35–million contract to Saint John's Shipbuilding, without a bid from this company, when MIL Davie had already submitted a bid?

[*English*]

**Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Mr. Speaker, as the member knows this matter has been under review by the agency responsible for offshore gas and oil in Newfoundland. The whole subject matter will be studied and a report will be given. We do not want to prejudge what that agency is going to do.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, since the minister responsible for regional development does not answer, I will put my question to the Deputy Prime Minister.

Does the Deputy Prime Minister not admit that awarding this contract without taking MIL Davie's bid into account is unfair to the Quebec shipyard, which is struggling to survive with all the energy it has left and which is better qualified to fill this order?

[*English*]

**Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Mr. Speaker, as I just said, it is being reviewed. The whole matter will be considered by the agency. I think it would be ill advised for the government to get involved in it at this particular time. When all is done, fairness will have won out.

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## FOREIGN AFFAIRS

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, my question is for the Deputy Prime Minister.

Extrajudicial executions, incarceration without trial and torture are widespread in China. Given the Prime Minister is going to raise China's human rights record with its government, will the Deputy Prime Minister give us her assurances that soon after his return the Prime Minister will report to the House on the outcome of these private information meetings?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, obviously in two weeks the Prime Minister will be back in the House and the member is free to pose any question on any subject he wants.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, that was not much of an answer but that is not uncommon.

Canada was very actively involved in sanctions against Serbia, South Africa and Haiti. I would like to know what the government is prepared to do to ensure that China will reverse its dismal human rights record. What action is the government going to take?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I think the Secretary of State for Asia–Pacific answered that very question most appropriately yesterday.

* * *

[*Translation*]

## FLAGS OF CONVENIENCE

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, my question is for the Minister of Transport. Last spring, the Official Opposition asked the minister about two ships belonging to the Canadian government that were flying the flag of the Bahamas. At the time, the minister indicated that he would check on the reasons of such a practice and provide a valid explanation.

• (1140)

Can the Minister of Transport tell us if he checked the facts and corrected the situation?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, we were indeed informed of that situation and we examined the facts concerning the ferries, which are the ships at issue. It is true that these ships fly a foreign flag and, at times, some crew members are foreigners.

We asked management at Marine Atlantic Inc. to check all the implications of a transfer, so that these ships can fly the Canadian flag. There are several issues involved, including the rather high costs of such a conversion, but we are looking at the situation.

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, this government takes so long to solve problems. The issue was raised five months ago.

What sort of example is the Minister of Transport setting for shipowners by operating Canadian government ships under the Bahamian flag?

[*English*]

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I understand the member's frustration. We are trying to do the best we can. We have been here for a year now. I am sure everybody recognizes that we are trying to do as much as we can in a year.

May I say with respect to many of these issues that they went on for years and years under the previous administration. It was not able to deal with them through eight or nine years. We are going to try to get it done as quickly as we can.

## AGRICULTURE

**Mr. Wayne Easter (Malpeque, Lib.):** Mr. Speaker, my question is for the minister of agriculture. On October 31 the U.S. department of agriculture announced the 1994–95 allocation for subsidized exports under its export enhancement program for barley and malting barley at 2.6 million tonnes.

The targeting of South Korea with a 50,000 tonne barley export is a direct affront and challenge to a market opened up by Canadian exporters. This trade action violates the intent of our agreement with the United States and creates further market distortion.

Considering the minister has described the American EEP as "the worst trade distorting policy on the face of the earth", could he now indicate to the House what specific action Canada will be taking to respond to this new and damaging application of U.S. trade policy?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the hon. member's aggravation about this particular situation can be exceeded only by my own.

The federal government is very disappointed by the U.S. government's continued use of the export enhancement program, which is a major market destabilizing export subsidy. Not only are we concerned by the recent U.S. announcement allowing for the subsidization of 2.6 million tonnes for barley and malting barley, Canada finds particularly distressing the 50,000 tonne allocation of U.S. barley to South Korea.

Canada is in the process of considering the form and the content of the appropriate protest to be lodged with the United States about this allocation. The Minister of International Trade and I will be pursuing that issue at the very earliest opportunity.

As the hon. member pointed out this is especially aggravating because it was Canada that worked very hard to achieve the opening in the Korean market. It is disturbing, to say the least, to see the United States attempting to undermine that through the use of export subsidies. We will make the Canadian position abundantly clear.

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## LAURIER CLUB

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, the Deputy Prime Minister will know that the government must enjoy the moral authority to govern if it hopes to implement the very difficult but necessary decisions ahead. Part of that moral authority is derived from the certain knowledge of citizens, that we are all equal before the law and before Parliament.

Would the Deputy Prime Minister tell the House how private privileged meetings among the Prime Minister, ministers of the crown, and those willing to pay $1,000 to join the Liberal Laurier Club will help to build trust and confidence between the governed and the government?

• (1145)

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the member should be aware of the fact that the Laurier Club is a public club. If he cares to walk down to 200 Laurier Street he can get a copy of the membership list. The club has been in effect for almost a decade and the contribution of every single member of the Laurier Club is a matter of public record.

**The Acting Speaker (Mr. Kilger):** I would remind colleagues that questions should refer to the administrative responsibilities of government. We are walking a fine line here. I know we have been sensitive to some of the issues that have been raised over the last number of days. I would ask members to keep that in mind.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, my question is again for the Acting Prime Minister.

This week a private reception of members of the Laurier Club was held in Montreal organized by Senator Leo Kolber, a man closely connected with the Pearson Development Corporation, a group now locked in battle with the federal government over the closure of the Pearson airport.

Has the Deputy Prime Minister consulted with the ethics counsellor as to the propriety of such privileged access to ministers of the crown or would that consultation be done retroactively?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the only party that is supporting the Pearson deal in this House is the Reform Party.

* * *

[*Translation*]

## GUN SMUGGLING

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, my question is for the Solicitor General.

For most crimes committed with firearms in Canada, the weapons were smuggled from the United States. The Solicitor General has told this House many times that the RCMP and other police forces were stepping up their efforts to stop gun smuggling.

Can the Solicitor General tell us what concrete action he has taken since this commitment was made and how the RCMP is intensifying its efforts against guns being smuggled from the United States?

[*English*]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, the national anti–smuggling program announced last February was aimed not only at cigarettes but at other forms of smuggling, like the smuggling of weapons.

The added resources both of the mounted police and of the Department of National Revenue are working to deal with the smuggling of arms as well as the smuggling of other goods. This co–operation has intensified and the objectives of the plan, therefore, are being pursued as we said they would be.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, the minister made some commitments last spring.

Can he give us clear examples of specific results obtained by the RCMP in the fight against gun smuggling?

[*English*]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, I will see what additional information I can obtain for the hon. member.

I also point out that this area of the smuggling of arms is one that is being examined and worked on by the Minister of Justice, the Minister of National Revenue and myself to be dealt with as part of our package for stronger gun control.

I hope the hon. member's question indicates that he and other members of the House, but especially his party, will give us strong support when we bring forward those measures.

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## LIGHTHOUSES

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, in a news release sent out yesterday the government announced it will hold 60 public consultation meetings on light station destaffing. This consultation process was not to determine whether or not people accept destaffing. Previous consultation showed that west coast communities, boaters, fishermen and coastal pilots do not want this. This consultation is on implementation of the very policy the government previously agreed not to implement.

My question for the Minister of Transport is why is this government cutting back on operational jobs which affect public safety instead of cutting back on senior bureaucrat jobs that only affect the spending of the Canadian taxpayers' dollars?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, it boggles the mind even on a Friday morning that Reform comes along and tells us not to try to save the Canada taxpayers money.

The fact of the matter is that in the United States there is one lighthouse that is still staffed and it is a historical site. The United Kingdom, Australia, New Zealand, countries around the world have destaffed their lighthouses.

• (1150)

I understand the importance historically of lighthouses in British Columbia and Newfoundland, on both coasts of this country.

If the Reform Party wants to be consistent it should understand that even the Vancouver *Sun* had a headline that said: "It is time to switch off our lighthouse keepers". It is time for the Reform Party to switch on the light to reality as it relates to some of these technological changes.

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, if the government is going to follow the example of other countries, I hope the justice minister will take note that Australia cancelled its firearms registration because it did not work.

The minister's departmental publication "West Coast Lighthouses" states that despite technological changes over the past 200 years in the automation of equipment, the human element has proven essential in warning of unpredictable changes in weather, aiding in search and rescue activities and providing essential services to mariners.

Will the minister tell us why he is ignoring his own department and jeopardizing safety to save money by cutting operational people instead of bureaucrats?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I will say in response to my hon. friend that we are not being very picky at Transport Canada about what we are cutting.

People who are looking at what we are attempting to do in this department recognize that we are trying to be even handed about it. We are trying to reflect new technologies. We are trying to make sure that we have a very safe environment for Canadians to travel in this country.

I want to make it very clear that I cannot continue to accept questions like this coming from a member who says he thinks there is nothing wrong with the Pearson deal and then expects me to take him seriously when he is talking about lighthouses.

## CLIMATE CHANGE

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, my question is on climate change and is for the Minister of the Environment.

Next week provincial and federal environment and energy ministers will meet to discuss the reduction in carbon dioxide emissions to deal with climate change.

Can the minister indicate to this House what kind of co–operation would be needed from the provinces and from the private sector in order to reach the desired target of minus 20 per cent in carbon dioxide emissions by the year 2005?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, as the member knows, at this point in time we are about 11 per cent short of our goal for stabilization.

To meet even the stabilization goals, the bare minimum goal established by the previous government at Rio, we would need to have an action plan tabled by the national government and by every provincial government in advance of the Berlin meeting.

We believe that science is telling us that we have to go further. We are convinced that at the meeting in Bathurst we will get the full support of energy and environment ministers across the country to go beyond voluntary action. We need voluntary action but we also need other legislative action to make sure that we meet our goals of stabilization and 20 per cent reduction.

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[*Translation*]

## FILM INDUSTRY

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

The minister has not yet rejected the recommendations contained in the SECOR report on the future of cultural industries. Yet, all are unanimous in saying that if the minister implements the recommendation regarding Telefilm Canada, to the effect that the government should only invest in presumably profitable projects from a commercial point of view, the whole independent motion picture industry will be jeopardized.

Does the minister realize that the recommendations giving priority to major profitable corporations would have the effect of eliminating the whole cultural dimension of Telefilm Canada, and does he agree that this strictly commercial approach would adversely affect the arrival of new creators on the market?

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the SECOR report was submitted by a consultant who has ideas and who made suggestions. That study was commissioned by the previous Conservative government. Obviously, there are other sources of advice and the Minister of Canadian Heritage will make a decision in due time.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, the study was indeed commissioned by the Conservatives, but the contract was awarded to a prominent Liberal.

Does the minister not realize that he is losing all credibility within the cultural community and, in order to reassure once and for all the creative artists and those who will follow into their footsteps, will he categorically dissociate himself from the recommendations of the SECOR report? Yes or no?

• (1155)

**Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.):** Mr. Speaker, the hon. member wants me to make decisions right now in this House to answer her questions.

However, when I make decisions, it is precisely in consultation with the people she claims to be protecting. In fact, I am doing just that right now. I have responded. I said that policies would be implemented after those concerned had been consulted.

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[*English*]

## INCOME TAX ACT

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, my question is for the Minister of Finance.

Farmers who lose their land due to debt settlement are being treated unfairly due to the taxation of capital gains. When land is taken back in debt settlement it is deemed to have been sold for the amount of the debt with interest. The deemed proceeds usually exceed the value of the land. This results in a taxable capital gain. The taxpayers lose land, livelihood, child tax credits or benefits and they have to pay provincial tax as a result of the fictitious calculation.

Will the minister confirm that the Income Tax Act will be amended to retroactively rectify this situation?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, there is good news and bad news here. The good news is that the member gave me advance notice of this question. The bad news is that he gave me advance notice about three months ago and I am not sure I can remember the answer.

The fact is that the department has taken the member's question under consideration and I believe that we are going to be in a position if not to satisfy all of the question, certainly to give a favourable response. We are working on it.

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, the reason I did not press for an answer sooner after having given notice is that the minister is so rarely in the House.

**Some hon. members:** Oh, oh.

**Mr. Morrison:** Anyway, I thank the minister for his positive response and I will await with some eagerness the outcome of this.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, let me put it this way: As soon as I got notice I was in the House every day, but after about two months—

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## LIBERAL GOVERNMENT

**Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP):** Mr. Speaker, during the last campaign the Liberals promised Canadians they would bring honesty and integrity to government. Yet earlier this week the Prime Minister slipped out of Ottawa to meet with 350 Canadians who paid $1,000 each to the Liberal Party to buy access to the Prime Minister.

My question is for the Deputy Prime Minister who will remember that when the previous government carried on these sorts of activities she and her colleagues aggressively criticized that Prime Minister. Will she indicate how these secret meetings with those who pay for access and influence square with words about honesty and integrity that this government has spent so much time expressing?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I am disappointed in the hon. member. We did not raise this issue when his leader had a boat cruise. We understand there is a legitimate function for fundraising in all political parties. Take a look at the Reform Party. There is a recent annotation that it received $75,000 from Sabre Energy Limited, $25,000 from Canadian Pacific, $20,000 from Hollinger Inc., $15,000 from Company No. 135482. Obviously parties have to raise money.

In the instance of the Laurier Club, the Laurier Club membership is even open to the member from the New Democratic Party. It is a public document. Membership is available to anybody who wants to walk four blocks down to 200 Laurier Avenue.

I can tell you that in the Liberal Party, unlike the Bloc that does not want to tell people who gave it money before the election, we are prepared to open our books and let everybody in.

• (1200)

[*Translation*]

## INTERNATIONAL TRADE

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, my question is for the Minister of Agriculture and Agri–Food.

The Canadian government bought a year of peace for wheat exports to the United States by signing a very bad agreement.

Among unresolved agricultural issues, the U.S. is still using NAFTA to challenge the tariffs filed by Canada under the GATT agreement on supply–managed agricultural products, namely milk products, poultry and eggs. Section 424 of the GATT bill before the U.S. Congress requires the President of the United States to personally deal with this dispute and report back within a few months.

Can the minister give us an update on the negotiations in this specific matter and tell us why, on the eve of a new trade dispute with the U.S., he is not using the conciliation mechanisms provided for under GATT and NAFTA?

[*English*]

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, there are two parts to the hon. member's question. One of those relates to the wheat agreement recently signed between Canada and the United States.

The hon. member characterizes it as a bad deal. He ought to know that the volume of access that we have secured by this agreement is higher than any other year in history except one year in which U.S. production was distorted by the worst flooding in 300 years.

This is a high level of access that we have secured for Canadian wheat. Those who argue the contrary should explain why they would take about $150 million out of the pockets of Canadian grain producers by forcing them into a trade war situation.

With respect to the quota situation dealing with supply managed products, those items were under discussion with the United States at the end of last year and the beginning of this year. The United States preferred in the month of June to focus exclusively on the wheat issue. It will at some point I presume in the future again raise these issues with Canada.

However, it is our view that tariff equivalents that we have filed under the GATT agreement are perfectly legitimate and proper in the context of international practice. If they should be challenged by the United States we have indicated that we will defend the Canadian position.

## PORTS CANADA

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, at its last meeting the board of directors of Ports Canada decided to close down the grain elevator at Churchill.

A draft of the minutes containing that decision was sent to the Minister of Transport, not a popular decision for the Manitoba Liberal leader with a provincial election looming. When the official minutes came out, magic—no mention of this Ports Canada decision.

Can the Minister of Transport tell this House who is responsible for doctoring the minutes, the long time Liberal Party loyalist who chairs the board or the minister himself?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, a question like that obviously reflects the total lack of respect that the Reform Party has for members of this House.

If the hon. member thinks I have doctored anything she should say so, say it in here and say it outside. I do not take lightly my responsibilities as a minister. If there is any doctoring to do I think perhaps the hon. member should see if there is something that can be done for her.

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## POINTS OF ORDER

REMARKS DURING QUESTION PERIOD

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I refer to Standing Order 18 with respect to disrespectful or offensive language.

Earlier in question period the Minister of Fisheries and Oceans referred to the member for Delta or the Reformers as bigots. There was no intervention on your part, Mr. Speaker, with respect to that language and yet while the member for Delta was quoting the minister's very own words you rose and held him back.

Mr. Speaker, I would like to know what your ruling would be on that?

**The Acting Speaker (Mr. Kilger):** Let me see if I can be helpful to the House. Clearly I heard the words from the member for Delta as reported by the hon. member for Calgary Centre and I reacted. However, as clearly I did not hear other words that would have led me to rise in the same fashion and react as the House would deem appropriate and also as the Chair would.

I would remind members while I am on my feet to always use more judicious words. I will also undertake to review the blues and report back to the House if necessary.

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, during Question Period I did use words which are unparliamentary, words which I want to withdraw.



One of the words was "racist" and the other word was "bigoted".

• (1205)

However, the member who has just risen will know that his colleague who sits just beyond his arm's reach, in asking the question, which prompted that response which I have withdrawn unequivocally, used the words "racist comments" in referring to me. The member thinks those kind of words are unacceptable. I have withdrawn them. I ask the member opposite to do the same.

**The Acting Speaker (Mr. Kilger):** I do thank the Minister of Fisheries and Oceans for his unequivocal withdrawal.

**Mr. Silye:** Mr. Speaker, first of all, I was not involved in the interchange between the two members. Second, the member for Delta in reference to the word "racist" was using it in the context of a question. He was not referring to the minister as being racist because we know the minister is not racist.

**Mr. Tobin:** Mr. Speaker, I understand, because once or twice in the 15 years I have been here I have been guilty of using words that one would not want to use. However, the member for Delta used the word "racist". I heard it, which is what caused my—

**Mr. Cummins:** Racism.

**Mr. Tobin:** "Racism" is the word he used, referring to my comments. I am sorry. That is what the member said. I would ask him to withdraw that. I would ask that the members of the Reform Party adopt a standard at least equal to that which they preach or seek from other members in this House.

**Mr. John Cummins (Delta, Ref.):** Mr. Speaker, I did not refer to the minister as racist. What I did say was that he was fanning the flames of racism. I think that is an entirely different point.

**Mr. Tobin:** Withdraw. You heard it now, Mr. Speaker.

**The Acting Speaker (Mr. Kilger):** Having been apprised of the remarks, the quotes from the hon. member for Delta, I would ask him to withdraw.

**Mr. Cummins:** Mr. Speaker, I will be happy to do that.

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I hate to continue on the same train of thought, except that another member, namely the member for Mission—Coquitlam, accused the hon. Minister of Transport of falsifying government documents during question period. That is a very serious accusation. Needless to say it is far more serious than that which has been previously withdrawn. I would seek the guidance of the Chair with regard to that issue as well.

**The Acting Speaker (Mr. Kilger):** Colleagues, there is a very fine line. We remind one another to use more judicious words. It sounds repetitive but I think it bears repeating. I would hope that as we break today for a week back in our constituen-

cies with family, friends and constituents we would give that due thought upon returning.

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, actually in my question I believe I was asking for clarification. I certainly hope no one is suggesting here in this House that I would question the honourability of any member, cabinet minister or anyone else.

I think my performance in this House in not quite a year here indicates the respect with which I treat others.

**The Acting Speaker (Mr. Kilger):** I thank the hon. member for Mission—Coquitlam.

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# ROUTINE PROCEEDINGS

• (1210)

[*English*]

## COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to present the 47th report of the Standing Committee on Procedure and House Affairs regarding selection of votable items in accordance with Standing Order 92. This report is deemed adopted on presentation.

* * *

## PUBLIC SERVICE STAFF RELATIONS ACT

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.)** moved for leave to introduce Bill C–58, an act to amend the Public Service Staff Relations Act and the Royal Canadian Mounted Police Act.

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

* * *

## PETITIONS

HUMAN RIGHTS

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, I am pleased to present four petitions duly signed by constituents from my riding of Calgary Southeast.

The first petition is signed by 54 constituents. The second is signed by 189 constituents. In both petitions they pray that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter in any way which would tend to indicate societal approval of same sex relationships or of homosexuality by including in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, the third petition is signed by 41 constituents and the fourth is signed by 221 constituents.

In both petitions they pray that Parliament ensure that the present provisions of the Criminal Code prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

EUTHANASIA

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, I wish to present two petitions on behalf of the constituents of Simcoe Centre. The first is on the issue of euthanasia. The petitioners request that current laws regarding active euthanasia be enforced.

HUMAN RIGHTS

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, the second petition I wish to present requests that the Government of Canada not amend the Human Rights Act to include the phrase sexual orientation. The petitioners fear that such an inclusion could lead to homosexuals receiving the same benefits and societal privileges as married people.

ASSISTED SUICIDE

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Mr. Speaker, I would like to present a petition duly certified by the Clerk of Petitions and signed by 36 citizens of my riding of Okanagan—Shuswap.

It asks that Parliament not change criminal law against assisted suicide and euthanasia because such actions would lead to degrading the value of human life. It also asks Parliament to increase pain relieving care for the terminally ill.

HUMAN RIGHTS

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, I would like to present three petitions to the House today.

In the first one the petitioners are praying and requesting that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

RIGHTS OF THE UNBORN

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, in the second petition the petitioners are praying that Parliament will act immediately to extend protection to the unborn child by amending the Criminal Code to

extend the same protection enjoyed by born human beings to the unborn human being.

ASSISTED SUICIDE

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, in the third petition the petitioners are praying that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, pursuant to Standing Order 36 I would like to present two petitions, one on behalf of my constituents asking the government to ensure that present provisions of the Criminal Code of Canada which prohibit assisted suicide be enforced.

GRANDPARENTS RIGHTS

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, I am presenting more petitions on behalf of Canadian grandchildren and grandparents. It is long overdue and I sincerely hope that our government recognizes the urgent need to stop punishing a large percentage of our grandchildren by not allowing them access to their grandparents.

My private member's bill to grant grandparents continuous access to their grandchildren is soon to be debated in this House. I ask all members of this House to support our Canadian grandchildren.

• (1215)

RIGHTS OF THE UNBORN

**Mr. John Murphy (Annapolis Valley—Hants, Lib.):** Mr. Speaker, I am pleased rise today to present three petitions from constituents of Annapolis Valley—Hants.

The first petition calls on Parliament to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

**Mr. John Murphy (Annapolis Valley—Hants, Lib.):** Mr. Speaker, the second petition calls on Parliament to ensure that Parliament rigorously enforce provisions in the Criminal Code of Canada to prohibit assisted suicide.

The petitioners also call on Parliament to make no changes in the law which would allow the aiding or abetting of suicide or euthanasia.

HUMAN RIGHTS

**Mr. John Murphy (Annapolis Valley—Hants, Lib.):** Mr. Speaker, the third petition calls on Parliament not to amend the Canadian Human Rights Act or the Charter of Rights and Freedoms to indicate societal approval of same sex relationships and homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the phrase sexual orientation.

ETHANOL

**Mr. Rex Crawford (Kent, Lib.):** Mr. Speaker, I rise again to present a petition on behalf of my constituents who are calling on the government to support ethanol and especially the world scale ethanol plant slated for Chatham, Ontario.

This brings the total signatures from my riding to over 11,000, a tremendous show of support for this environmentally friendly, job creating and renewable fuel industry.

* * *

## QUESTIONS ON THE ORDER PAPER

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I believe the following questions will be answered today: Nos. 72 and 73.

[*Text*]

Question No. 72—**Mr. Caccia:**

With respect to the buried radioactive waste at Atomic Energy of Canada Limited's Chalk River plant, (a) to what extent, if any, has tritium spread into the environment within a radius of 50 kilometres, (b) to what extent has tritium been measured in drinking water and is this considered a safe level, (c) is the disposal site safely insulated and (d) is there any danger to humans emanating from the disposal site?

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, in response to (a), tritium emissions from the waste site at Atomic Energy of Canada Limited's Chalk River plant do migrate to some degree within a radius of 50 kilometres of the plant. However, tritium emission limits are set so that hypothetical doses to the public are always well below the regulatory limits set by the Atomic Energy Control Board. In practice, nuclear facilities do not operate anywhere near their emission limits and Atomic Energy of Canada Limited's Chalk River plant is no exception. The tritium releases from the plant are well below the regulatory limits.

In response to (b), local drinking water is monitored for tritium and the levels observed, being very much less than regulatory limits for the public, are considered safe. Daily samplings are collected at the Pembroke main water supply intake and these are measured monthly to confirm that releases are a small fraction of the regulatory limits.

In response to (c), yes, the radioactive waste disposal site is safely insulated. It is located well inside the plant boundary and is not accessible to the public. The releases of tritium from this site are well below the regulatory limit.

In response to (d), the radioactive waste site is safe and poses no undue risk to humans.

Question No. 73—**Mr. Caccia:**

Is 40,000 becquerels of tritium in a litre of drinking water considered a safe level?

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, yes, 40,000 becquerels per litre is the regulated standard for drinking water and corresponds to 10 per cent of the legal public dose limit of 5 millisieverts per year. Even if a person's water supply through a whole year were to be at 40,000 becquerels per litre, the radiation dose to that individual would be less than the current dose limit for members of the public. It would also be below the reduced limit that is recommended by international authorities.

[*English*]

**Mr. Milliken:** I ask that the remaining questions be allowed to stand.

**The Acting Speaker (Mr. Kilger):** Shall the remaining questions stand?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** Could the hon. parliamentary secretary give the Chair a moment?

I have taken somewhat of a liberty. Since we are getting ready to go home to our families, friends and constituents and since this break particularly marks the occasion of Remembrance Day, I have asked the hon. member for Renfrew—Nipissing—Pembroke, the senior member of the House, to please say a few words on our behalf.

* * *

## REMEMBRANCE DAY

**Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, every November 11 Canadians take time out to remember those who served in two world wars and in the Korean war. Now must be added the several peacekeeping and peacemaking expeditions where several young Canadians have lost their lives.

Korea was the first big test for the United Nations when the North Koreans crossed the 38th parallel. It was a case of the United Nations proving itself and its role within the international community by keeping boundaries stable or losing its clout in the world.

Sixteen nations went to the aid of the United Nations and between 1950 and 1953 brought order back from the chaos of that particular area of the world. Five hundred and sixteen young Canadians today rest in Korea.

During World Wars I and II the Royal Canadian Navy, the Royal Canadian Air Force, the Canadian Merchant Navy and the Royal Canadian Army and Canadians who served with other forces played their roles.

In World War I, 66,605 young Canadians lost their lives. That talent was lost to this Parliament, to municipal governments, to provincial governments and to all walks of life.

In 1939–45, 45,000 more young Canadians lost their lives in battle; 55,000 came home wounded. All told, including our peacekeeping expeditions, this great nation has lost more than 114,000 young Canadians in war.

• (1220)

Can we as members of the House of Commons today, right now, fully realize the atmosphere that prevailed in this Chamber when Canada declared war in World Wars I and II and the Korean war?

On September 1, 1939 Germany and Russia invaded Poland and Poland collapsed. France and Britain had promised that they would come to Poland's aid, and they both declared war on Germany. On September 7 the House of Commons of Canada was called into special session to decide what Canada was to do. By September 9 it had decided it would support Britain and France. On September 10, 1939 Canada officially declared war.

The battles of Dieppe, Hong Kong, the Italian campaign, the Battle of Britain, the freeing of Holland, the north Atlantic battle and the war at sea generally, and the D–Day campaign were among many in which Canada participated. The only great conclusion is that no matter where these campaigns took place, wherever they will take place, war is hell.

The joint committee of the House of Commons and the Senate has recommended a one day debate per year on Canada's international role, a very important debate. If we do not work toward keeping peace in the world, we are not keeping faith with those 114,000 young Canadians whom I mentioned earlier.

The world is not a happy place today. It has some 75 to 80 hot spots. The greatest service we can do is to try to keep cooling them off. This process is to a great extent shaping our world today.

On behalf of all members in the House, I congratulate the 1,700–plus Legion branches across Canada for inviting all Canadians to attend a November 11 Remembrance Day ceremony to remember those young Canadians who left their high schools, their universities and their careers, who left their jobs in the factory or the corner store, who left their ploughs and cultivators and their farms; people from all walks of life who left loved ones to go out to fight for freedom and for eventual peace.

Canada has a great role to play in the negotiations for peace in the world. Think of those today who are far away from home on peacekeeping duties. Think of their families who are at home awaiting the return of their loved ones. These people are keeping the faith with those who died. If we do not give them our support

and if we do not play our role around the peacekeeping tables and at the United Nations, then we are not keeping faith with those who died.

By our own neglect we may well be promoting another debacle and more loss of Canadian lives. As we leave the House of Commons today, let us remember them. Let us not just remember them on Friday next as we stand around the Cenotaph. Let us remember them 365 days of the year because they gave their all.

What we should do as Canadian parliamentarians and as Canadians is work toward the peace and the sanity of a good world for our young people. We must not neglect our duties and allow international plans that might hinder their lives.

Let us think of our families and all young Canadians who are looking forward to a future. If we keep faith with those who died and keep faith in international relations we will indeed be remembering them.

Mr. Speaker, may I ask all members of the House to rise for one moment's remembrance.

[*Editor's Note: The House stood in silence.*]

[*Translation*]

**The Acting Speaker (Mr. Kilger):** Before I get back to the parliamentary secretary, perhaps I may add the following on a more personal note. I draw your attention to the Table today. Our Senior Clerk, Mr. Camille Montpetit, arrived here on the Hill on November 4, 1968, so this is his 26th anniversary.

On behalf of all previous and present members, we want to thank you for your good offices and your friendship.

**Some hon. members:** Hear, hear.

[*English*]

**Mr. Milliken:** Mr. Speaker, after those very moving words from you and from the hon. member for Renfrew—Nipissing—Pembroke, I think you might find there is unanimous consent to call it 2.30 in light of the excellent progress we have made today.

**The Acting Speaker (Mr. Kilger):** Is there unanimous consent?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Kilger):** It being 2.30 p.m., the House stands adjourned until Monday, November 14, 1994 at 11 a.m., pursuant to Standing Orders 28(2) and 24(1).

(The House adjourned at 12.29 p.m.)

# HOUSE OF COMMONS

**Monday, November 14, 1994**

The House met at 11 a.m.

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*Prayers*

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## PRIVATE MEMBERS' BUSINESS

[*English*]

### DECADE OF THE BRAIN ACT

**Mrs. Sue Barnes (London West, Lib.)** moved that Bill C–239, an act respecting the decade of the brain, be read the second time and referred to committee.

She said: Mr. Speaker, I will be sharing my time today.

I am pleased to introduce debate on Bill C–239, a bill that would declare the 1990s the decade of the brain. First, I would like to recognize and thank all the individuals and organizations that have since early in the decade assisted in this legislative endeavour.

The legislation I am speaking on today is the duplicate of a private member's bill introduced in 1992 by the previous member of Parliament for Niagara Falls. Private members' bills can take a number of years before they are debated in the House.

Given that we are already in 1994, members may ask what the purpose of the bill is and what will be accomplished by declaring the 1990s the decade of the brain.

• (1105)

My response is that the legislation will help to raise the awareness of Canadians and will help to focus attention on the prevention, research, treatment and rehabilitation of brain related diseases and disorders. I believe this to be a worthwhile, rewarding goal, as do many of my hon. colleagues.

We only have to look at numerous examples in the world community to see this is an important issue worthy of our attention as legislators. In 1986 at the 39th world health assembly, the World Health Organization called on member states to apply preventive measures with regard to mental, neurological and psychological disorders and to include these activities in their long term health strategies.

In 1991 Dr. Nakajima, director general of the World Health Organization, urged all governments to designate the 1990s as the decade of the brain. Our neighbours to the south did this in 1990. In 1992 the member states of the European community followed suit, forming an ad hoc task force.

The World Federation of Neurology proclaimed the 1990s to be the decade of the brain in 1992. As we speak, researchers from my riding are gathering with over 12,000 other professionals in Miami to discuss among other subjects advances made in the decade of the brain.

They have expressed to me their support of the bill before the House. Treatments that would have seemed miraculous 10 years ago are now reality and are being applied successfully. We can now look to a day when new drugs may free patients from their struggle with neurodegenerative diseases such as Alzheimer's.

Regeneration research is providing new expectations, new hopes for patients with spinal cord and various other brain injuries. In every riding in Canada research efforts and treatments continue, utilizing more and more advanced and ground breaking technology. In my own riding of London West a young scientist has recently commenced a new research project focusing on brain functioning. Currently magnetic resonance imaging shows brain anatomy clearly. Functional magnetic resonance imaging will allow us to view the working brain and will help map out the centres concerned with such aspects as speech and motor activity.

There is no doubt the human brain is a remarkable feature that distinguishes us from other living creatures. A mere 3–pound mass of interwoven neurons controls all our activities. The brain is the most complex and mysterious wonder of creation. It has been called the seat of human intelligence, the interpreter of senses, the keeper of memory, in essence the sanctum of the soul.

Ailments of the brain carry with them heart rending disabilities that can rob us of the very essence of personhood. A healthy mind is essential for living a full life with total liberty and independence. A great threat to the independence of the elderly are diseases of the brain. Cognitive mental stability enhances the ability to heal and recuperate, to cope and to overcome physical ailments.

Unfortunately like all things human the brain is not perfect, being subject to injury and disease, including the time of development in the youngest members of society. Diseases are

not limited by geographical borders. Nor do they recognize any difference in language, gender, race or economic status. Any human being in the world community is a potential victim of a brain related illness.

I would be very surprised if any member of the House had not been personally affected by such diseases and disorders. All of us have had a friend, relative or family member who has suffered the tragedy of brain related illness. At the beginning of the decade it was estimated that five million Canadians were affected by disorders of the brain ranging from congenital malformations, degenerative disorders, neurogenetic disorders, epilepsy, multiple sclerosis and stroke, to problems with learning, hearing, language and speech.

I have been encouraged by the numerous physicians, individuals and associations that have given me support to work for the recognition of the decade of the brain. I am aware of many who fought for this long before I was involved. Many of these people devoted their careers to the treatment and elimination of brain related illnesses. Designating the 1990s as the decade of the brain would be an acknowledgement of their contributions and an encouragement for them to continue with their noble crusade.

Studying the brain has enormous potential for the health of Canadians, while decreasing the severe economic and emotional burdens placed on our society by brain disease and disorder. In efforts to see the legislation proclaimed, I have also been contacted by people who are right now directly affected, sometimes tragically. I have received scores of letters from parents whose children have died or are dying of brain tumours.

• (1110)

I have listened to people faced with the difficult task of caring for loved ones who suffer from brain disorders. There is more eloquence in their private struggles with adversity, more eloquence in their challenges and their grief than I could ever hope to bring to the Chamber today. It is because of these people that I encourage members to lend their support to the bill.

In 10 minutes it is impossible to speak on the full scope of the problems in research. I would like to highlight two forms of brain related illnesses as well as their effects.

Today over one–quarter of a million Canadians suffer from Alzheimer's disease and related dementias. By the year 2030 it is estimated that this figure will have increased to over three–quarters of a million. The social and human costs of Alzheimer's disease are devastating. A person's ability to understand, think, remember and communicate is affected. The process is always a progressive degenerative one that means the formerly self–reliant men and women slowly become dependent upon others.

The disease has a similarly devastating impact on the caregivers who are often family members. Family members must cope with long periods of emotional, financial and physical stress. Hence we see that the health and well–being of the family members become just as important a concern as that of the person with the disease.

Each year thousands of Canadians are diagnosed with a primary or secondary brain tumour. Since brain tumours are located at the various control centres of thought, emotion and physical function, they can cause serious impairment in motor functions, vision and language abilities and make treatment very difficult.

In 1982 in my home of London, the Brain Research Laboratory was established with both experimental and clinical research units. The Brain Tumour Foundation of Canada was also a founding member of the North American Brain Tumour Coalition, a network of brain tumour organizations dedicated to increasing public awareness of the nature of the brain tumour and of the availability of treatment options.

London has also seen the establishment in 1991 of the brain tumour tissue bank which acts as an international resource from which researchers from Canada, the United States and other nations are able to obtain tissue samples to carry out experiments.

Brain tumours were highlighted in the bill not because they are any more or less important than any other disorder or disability, but rather it was an association that I was involved with at the time when work began on the bill. I have also had some insight through other areas of my previous work into the devastation that mental illness can play in antisocial, violent acts. I can think of no other aspect of our criminal justice and health systems where everyone involved is a victim.

Measures can be taken to facilitate even more effective sharing of knowledge, information and resources to accelerate the research for effective prevention and treatment of brain related illnesses. Canadians must recognize the relationship between the health of the brain and the well–being and quality of life of individuals. Brain related illnesses exact a tremendous toll in human suffering, often during the most productive years in a person's life.

I have mentioned previously the effects that this can have on the individual and his or her immediate circle of family and friends. However we must acknowledge the tremendous financial cost of such illnesses.

Dr. John Evans in the November 1994 Flavelle lecture at the University of Western Ontario stated that neurological diseases require more people to be hospitalized than any other disease group and therefore consume a disproportionate share of scarce health resources. He stated that the staggering burden of the cost of treatment and rehabilitation is estimated to be approximately $300 billion annually for the United States and Canada. In the area of Alzheimer's and other forms of dementia alone Cana-

dians spend approximately $3.3 billion a year providing care for afflicted individuals.

This debate should not be reduced to dollars and cents. To do so is to cheapen the humanity of all involved in the issue. We are talking about the health and happiness of our children, our parents, our friends, our partners and ourselves. No one can go through their lives untouched by brain related illnesses. We all age eventually and our independence will be linked to our physical and mental health.

I stated at the beginning of the speech that the legislation would help to raise the awareness of Canadians and would help focus attention on the importance of the research in this critical medical field. I am seeking approval today of an acknowledgement of that fact and action that will benefit Canadians today and into the future.

**Hon. Roger Simmons (Burin—St. George's, Lib.):** Mr. Speaker, I am delighted to second and give my support to Bill C–239. Let me, at the outset, congratulate my good friend and colleague from London West for taking this significant and important initiative. It is not a new initiative. Others have put it to the House before, including the former member for Niagara Falls. Several efforts have been made to have the House do what other legislatures and other jurisdictions have already done. As my friend noted in the debate, this includes the United States which as a result of a proclamation by former President Bush is now observing the decade of the brain with considerable results. However I will come back to that.

• (1115)

First, let me read for the information of the House some portions of a handwritten letter that came to a member of Parliament from northern Ontario. In part it reads as follows:

"On May 21, 1992, our 20–year old daughter died from a malignant brain tumour. Our lives and the life of her only sister will never be the same". Later the parents who wrote this letter said: "Most people can only imagine the pain of standing at your child's side, helplessly watching her die. We believe that, had we known more about the symptoms of brain tumours, our daughter would have had medical attention sooner, would have lived longer and might even be writing this letter herself".

In the most graphic and eloquent terms, more so than I could express, this letter states very clearly why we need to have greater awareness, greater public profile for the brain and brain related diseases.

The parents wrote: "We believe, had we known more about the symptoms of brain tumours, our daughter would have had medical attention sooner, would have lived longer and might even be writing this letter herself".

The impressive aspect of this initiative by my friend from London West is that it has garnered so much support from the scientific community. The letters that have come to me and to other members of Parliament, but particularly to the member for London West, are very gratifying. People who know this issue inside out are saying in the most urgent terms: "Let us do it. Let us declare this the decade of the brain because it will have the effect of focusing awareness on an important issue: issues related to prevention, research, treatment and rehabilitation in this vital area". That is why literally every organization that one could mention is on side.

We wonder at the list, such organizations as the Alzheimer Society of Canada, the Canadian Mental Health Association, the Canadian Brain Tissue Bank, the Canadian Paraplegic Association, Epilepsy Association of Metropolitan Toronto, Epilepsy Canada and Huntington Society of Canada. The list goes on.

Let me read excerpts from another letter from the dean of medicine at the University of Western Ontario. He says in part: "Allow me to speak in favour of the concept of the decade of the brain. It is truly an essential initiative from a number of perspectives in light of the discussions that are currently nationally relative to both research and the health care system". He makes two or three specific points. First, the dean of medicine of the University of Western Ontario talks about the aging population: "Increasingly we need to seek alternatives to institutionalizing older Canadians. With the passage of time AIDS tends to be associated with problems afflicting bone, bladder and the brain. In other words there is an increasing disease burden relating to fractures, incontinence and dementia that will affect our senior citizens and which results in the need for admission to hospital".

• (1120)

Then he talks about the impact it would have on disadvantaged children. In short he makes the case that what is needed is more focus on this important issue.

If I sound as though I am repeating myself on the issue of awareness, it is because the bill is such simple legislation. We are not asking for the expenditure of great gobs of public money. We are simply asking to enact a bill that will focus on this important issue. The effect will be felt in many areas.

Let me again demonstrate my point by reading from another letter, also from the dean of medicine at Western.

"As former vice–president of the North American Brain Tumour Coalition, I can relate to you that the declaration of the decade of the brain legislation in the United States has resulted in increased awareness of brain related disorders. This has occurred at local, state and national levels. The support for charitable organizations and for patients with tumour related

disorders has changed because of this legislation. Many pharmaceutical companies that I deal with use the decade of the brain logo on their letterhead and are fairly supportive. The decade of the brain legislation in the United States has resulted in a number of new initiatives which I have been involved with. As a member of the board of directors of the Brain Tumour Foundation of Canada, I have interacted with several U.S. organizations. I can relay to you that there is a commonality of purpose in goals among our organizations. We are working together to help both Canadian and U.S. patients".

The point of the letter from the dean of medicine is the point of my speech, the point of the intervention made by my colleague from London West in introducing the legislation. The legislation, as simple as it is in its wording, will effectively focus attention on this very important issue. And so we should.

An estimated five million Canadians are affected by disorders of the brain ranging from stroke, degenerative disorders, problems with speech, language and hearing. Today these patients are justifiably hopeful as a new era is unfolding in brain research. We can help smooth that along a bit by giving our support to this very significant piece of legislation.

[*Translation*]

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, it is with great pleasure that I rise in the House today to support Bill C–239, the Decade of the Brain Act, introduced by the hon. member for London West.

The human brain, a mass weighing more than one kilogram and essentially consisting of nerve cells that control our emotions, reactions and activities, is one of the most impressive and mysterious wonders of creation. This seat of human intelligence, which enables us to control our movements, interpret our senses and interact with our environment, continues to intrigue researchers and scientists throughout the world.

In recent years, science has made it possible to clarify certain aspects of the human brain, but too many questions still remain. How does the brain function? By what is it affected? How can we prevent its degeneration? The rise in diseases related to disorders of the brain means that increasing our knowledge in this field is no longer an option but a necessity and also one of the greatest scientific challenges of our time.

Japan was the first country to launch a scientific program in 1987 to maximize the effectiveness of neurological research. Three years later, the Americans proclaimed the nineties as the decade of the brain and decided to set up a wide–ranging research program. The Europeans followed suit in 1992.

• (1125)

The purpose of Bill C–239 is therefore to ask Parliament to follow the example of other western countries and to declare this decade the decade of the brain and, at the same time, support and recognize the importance of research in this field.

The brain is the seat of many neurodegenerative disorders and diseases like Parkinson's disease and Alzheimer's, of mental health problems like schizophrenia, emotional disorders, drug addiction and neurological disorders such as learning disabilities.

Canadians suffer from a wide range of neurological diseases. In 1989, the Canadian Neurological Coalition sponsored a ten–year retrospective survey of the frequency of neurological diseases in Canada. The results of this survey are disturbing: it was found that more than one Canadian out of six is affected by some mental disorder.

Our mental health is a very fragile thing and over a lifetime, a number of emotional problems may affect its delicate balance. We may experience a divorce, the loss of a loved one, the loss of a job, poverty, drug addiction, alcoholism or stress, and one morning we get up and we are in poor mental health. The balance is upset. The very strong are able to overcome such problems but others are not.

More than 50,000 Canadians today are also suffering from multiple sclerosis, the neurological disease most frequently found among young adults in Canada. Researchers have yet to find a way to treat this disease, and there is no explanation for the fact that Canada is one of the countries where the probability of getting this disease is particularly high.

There is also the problem of brain tumours. According to the Brain Tumour Foundation of Canada, brain tumours rank second as the cause of death in children under 14 and third as the cause of death in men between the ages of 15 and 34. The number of deaths caused by brain tumours increased 100 per cent between 1968 and 1987.

And what about Altzheimer's, a neurodegenerative disease that causes the irreversible destruction of brain cells and is one of the main causes of death among the elderly, although we now know it can strike at any age. Today, more than 250,000 Canadians are affected by Altzheimer's and related dementias, and it is estimated that 30 years from now, their number will reach 750,000 30 years from now.

In addition to the social impact, neurodegenerative diseases also have economic repercussions that cannot be ignored. We already invest substantial amounts of money in patient treatment and accommodation. As the number of individuals affected by this disease increases, long–term treatment will put an additional burden on health costs.

According to a study on health and aging in Canada, Canadians spend approximately $3.3 billion annually for the treatment of at least 150,000 people with Alzheimer disease in long–term health care facilities. This figure does not include the costs to families caring for afflicted relatives at home.

It is clear that diseases of the brain, including mental illness, degenerative diseases such as Alzheimer's and stroke are very costly. By making the public aware of disorders and disabilities of the brain, we will be encouraging increased support for research in this field, and thus stretching our health care dollars.

The decade of the brain has already begun. As I have already mentioned, Europe and the United States have proclaimed the 1990s the decade of the brain, and a number of research centres in Quebec and in Canada are already on board.

The Montreal Neurological Institute will be playing a major role in the upsurge in research resulting from the proclamation of the decade of the brain in the United States, decreed by President Bush in 1990. The Neurological Institute, an affiliate of McGill University, with about sixty professors, neurologists, computer scientists, students and other researchers, is participating in one of the most ambitious projects to come out of the decade of the brain: the creation of a computerized atlas of the most complex organ in the human body, the brain.

• (1130)

This project to map the brain is part of an extensive program being carried out by a large consortium of research centres, co–ordinated by the National Institute of Mental Health in the United States and funded by eleven American agencies. The Montreal Neurological Institute, which is a member of this consortium, is the only non–American institution to take part in this important project, an indication of its reputation.

The Montreal Neurological Institute and its McConnell Centre have become leaders, possibly world leaders, in the field of brain mapping. Although we must recognize their excellent research and their contribution to medical research in Quebec and Canada, we must regret that this work is largely supervised and financed by foreign interests.

In medical and pharmaceutical research, Quebec and Canada have the ability to excel and be leaders and, for that, we must continue to promote research and development. Proclaiming the 1990s the Decade of the Brain would be major support, since it would make Canadians and governments aware of investment in prevention, research, treatment and rehabilitation for those who suffer from various diseases of the brain.

Today, millions of Quebecers and Canadians and their families have the right to hope that science will elucidate the mysteries of the human brain. Following recent discoveries in genetics, with research and exhaustive studies compiled over many decades and extremely sophisticated medical equipment, scientists are about to penetrate one of the most closely guarded secrets of our civilization.

The impact of such a discovery is incalculable. Not only would it help to finally find a cure for the terrible mental illnesses that ravage our society but it would also make it possible to take a new approach and even cure certain disorders, like phobias, addiction and even violent behaviour.

While we support research and wait for further discoveries, we must propose effective prevention programs. We must always keep in mind that as our health care system and its funding are restructured, we must adopt an approach based more on prevention and education.

As health critic of the Official Opposition and as a member of the Bloc Quebecois, I am pleased to support Bill C–239 and to ask this Parliament to proclaim the 1990s the Decade of the Brain.

[*English*]

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I am very honoured to enter into today's debate on Bill C–239. I will begin by acknowledging the good work of the hon. member for London West in bringing the matter forward for our interest and debate.

I would also like to go on record as applauding all those many researchers in the private enterprise companies and certain government funded organizations that do research. I would also like to give my accolades to those who work in medicine, particularly in the area of neurological and brain disorders.

I think the bill is somewhat misunderstood because of its name. Not long ago a columnist in one of the Toronto papers indicated total ignorance of the subject. The same thing happened this week in my constituency when I indicated to someone that I would be giving a speech on the decade of the brain today. She laughed and said: "Don't you people have anything worth while to do there? Everybody has a brain". She had totally misunderstood. When I explained to her that we wanted to increase awareness about brain disorders and increase awareness and understanding for people with these various illnesses and diseases, her attitude changed abruptly. She immediately became very supportive.

• (1135)

I could probably use my time best today by bringing some personal experiences into this debate. I have been challenged and privileged to be near some people who have suffered from brain disorder. I would like to say first that it is right in my own family.

In February 1945 my mother was taken to the hospital because though we did not know it then, it was time for our little sister to be born. To everyone's regret there was what was called an accident. Actually it was very clearly an error on the part of the

medical people present. It was ignorance. My sister suffered brain damage at birth because of oxygen deprivation.

My sister is going to be 50 in just a few months now. All her life she has suffered from a disorder called cerebral palsy. She is a bright young woman and understands everything but she is unable to speak. How do we know she is bright? It is because she has developed her own language that my mother mostly understands and the rest of the family understands to some reasonable degree. However she does not speak so that anyone else can understand. She is totally dependent.

How I wish there had been enough information so that hospital workers would know that one does not prevent a baby from being born because the timing is inconvenient, thereby causing this very severe trauma for our family over the years. I will say just as a parenthetical phrase here that I take great umbrage at the suggestion from some that perhaps my sister should be put away because she is not useful to society. She is part of our family and we love her dearly.

I would also like to share another experience of a young lady who used to come to our home when she was in nurse's training. She got married and had a family. One day she and her husband and young family were in a car accident that was not of their cause. Unfortunately their oldest son, at that time a very bright precocious 10–year–old, suffered brain damage. He has become totally dependent. His life was never allowed to be fulfilled as it would have been had that not occurred. Despite the best medical efforts, it seems there was nothing that could be done for him.

The next experience is probably the one closest to our family. My wife and I know a couple who have been our closest friends for years. About 10 years ago my friend who is indeed even younger than I—I guess just about everyone is younger than I—showed the first symptoms of what was diagnosed as premature Parkinson's disease. I do not know how I can express and communicate the impact that has had on his wife, his family, his own life and those of us who know him and who care for him.

My friend went through some research studies. He was involved in some of the experimental work. A number of years ago he underwent a new and very intriguing surgery. They actually took off the cap of his skull. A cavity was made between the two hemispheres of the brain in the part that is called the caudate nucleus which generates the chemical dopamine which is necessary for muscular movement. After a short time they operated on him again and removed part of his adrenal gland. That was put into the cavity in the brain. They thought that perhaps it would stimulate the caudate nucleus again to do its work.

• (1140)

Unfortunately this attempt was not successful and 10 years later now my friend continues in total dependency. I am sure members can hardly understand the impact that has had on us. We try to see him every week, although with this new job I have it is more difficult. He cannot speak most of the time. He communicates very poorly and it is a very severe intrusion into our relationship because we cannot communicate well.

Those are some examples. I am sure all of us can relate to someone who has had these problems. The question is what we should do about it. The proposal before us is to declare the nineties the decade of the brain, the purpose being to promote research and understanding. Certainly we must do more to promote understanding of these diseases among Canadians and people worldwide. People do not know how to react when in the presence of those with a brain disorder. They need to be educated. They need to be taught.

I think of my friend in the hospital. At times he can move very easily and then within minutes he is totally immobilized. Even the nurses misunderstand and sometimes ridicule him. How unfortunate. There needs to be more understanding.

We definitely need to put our resources into research. I do not think Canadians would approve of the bill if they thought it was only making a case for people to travel around the world on junkets to get together and have a good time. However if it is used for people to work together internationally sharing their research and discoveries and promoting advancement in this cause, and if it is genuinely used in an efficient way I am sure there would be a high degree of support.

We need to promote medical research, but we also need to start looking very seriously at how we are spending money in the whole medical field. It is atrocious that people with brain disorders and brain tumours sometimes have to wait for up to half a year before they can get an MRI diagnosis while we fritter away our money on other things.

We need to focus very sharply the limited funds that are available to us and use them for properly directed research. We need to make sure that some very distinct objectives are met in that research.

We could accomplish a great deal if we were to focus on this issue in the same way the Americans did some several decades ago when they said they would put a man on the moon. They put all their resources into it, all their technology and top scientists. It is definitely a challenge to us to do that and to focus our resources. I am sure that through research and with our scientific abilities and the available technology we can do very much to discover new frontiers in this area.

**Mr. Rey D. Pagtakhan (Winnipeg North, Lib.):** Mr. Speaker, I rise this morning to voice my strong support for Bill C–239, an act respecting the decade of the brain. I also would like to commend my hon. colleague from London West for her initia-

tive in bringing the issues of mental and neurological health of Canada's citizens to the floor of the House.

I feel the case for the adoption of the bill can best be made by applying a legislative litmus test. The questions for us are: First, can the bill if enacted make a positive difference in the lives of all Canadians? Second, can the bill make a positive contribution to Canada as a whole? In both instances the answer where Bill C–23 is concerned is an unequivocal yes.

• (1145)

Formally declaring the 1990s the decade of the brain can only serve to heighten awareness, as has been said, of neurological and mental health disorders in Canada and throughout the world. Awareness can do much to dispel some of the damaging means surrounding mental and neurological illnesses and their victims.

That awareness can prompt Canadians to monitor their own mental and neurological health more carefully in a preventive way and thereby prevent ill health. Awareness can increase our resolve as a nation to support efforts to develop cures and superior treatments for the variety of elements that afflict the human brain and the human mind.

Some observers of this morning's debate may wonder why we in the House have elected to focus part of our energy and attention on the health of the brain. Certainly it is not as though the afflictions that strike other areas of the human anatomy are any less worthy of our attention. Indeed the Canadian Neurological Coalition has noted: "Far from being a single organ to be centred out, the brain is the focus of an enormous range of frontier medical science as the seed of logic, reason, creativity, intelligence and yes, even compassion and human understanding in the human body. We are understandably taken aback when disease affects the normal, healthy functioning of the brain".

Witness the public reaction when a former U.S. president announced just this past week that he is suffering from Alzheimer's disease. So much of what makes us human is rooted in our brains. Mental and neurological illness has the power to strip us not only of our good health but also of our identity, our sense of human self.

The statistics from the neurological association placed the number of Canadians affected by disorders of brain at some five million, nearly 20 per cent of Canada's population. This number only serves to underscore the importance of acting to call attention to the various ailments that range from strokes, degenerative disorders, neurogenetic diseases, to speech, language and hearing disorders.

There is hope. Medical scientists in Canada and throughout the world are working diligently to find effective treatments for the various disorders. As they do so, they are also unlocking the mysteries that are intrinsic to the body's most complex organ. As our understanding of the brain and the pathogens and chemicals that attack it has broadened to techniques such as magnetic resonance, imaging and computerized action tomography, sophisticated treatments previously unimaginable have become reality today.

As the neurological coalition points out, neuroscience has a direct impact on almost every area of modern medicine, including cardiovascular and immunologic disorders. The coalition has stated: "Studying the brain has enormous potential for contributing to the health of Canadians and decreasing the severe economic and emotional burden exacted on our society by the diseases and disorders that affect the brain". Disorders of the brain ultimately affect the remainder of the human body.

"Declaring the 1990s the decade of the brain", the coalition adds, "would ultimately increase public support of research, thereby reducing the eventual government burden of hospital and service delivery costs".

For the thousands of Canadians who suffer from Alzheimer's disease, Parkinson's disease, Huntington's disease, schizophrenia, multiple sclerosis, epilepsy, dementia, amyotrophic lateral sclerosis and other disorders, this declaration would be proof positive that the government would not turn a blind eye to their needs and, indeed, that the government would continue to give them the attention they deserve.

• (1150)

It is for these individuals as well as for the health and well–being of Canada as a whole that I offer my wholehearted support for Bill C–239, an act respecting the decade of the brain.

**Ms. Margaret Bridgman (Surrey North, Ref.):** Mr. Speaker, it gives me great pleasure to speak on the bill. I commend my colleague for London West. I have listened to the debate today. We have discussed the intricacies of the brain. We have also discussed numerous illnesses of the brain.

The brain is indeed a very complex organ. Attention should be given to the brain. I feel strongly that we are not aware of how important the brain is to us. Everything we look at, everything we do, every philosophy we have has been generated by the functioning of our brain. It is an extremely important organ and we know very little about it.

My colleague from the Bloc commented on the mapping of the brain. It was not long ago that we thought memory had a specific location in our brain. Experiments that have been done on Parkinson's disease have shown that one can have very small

sections of the brain stimulated and suddenly start singing the Coca–Cola song or something.

We now realize that the brain is functioning like the rest of our body based on chemical components. It is the chemical structure of our body that allows messages to pass through the synapses, making us function and do things that we think are very important to our lifestyle and to build the societies we need.

We talk about brain disorders. Someone here previously mentioned that five million Canadians are suffering from brain disorders. It was also mentioned that a considerable amount of the health care dollar is spent on conditions involving the brain, which is true, but this does not seem to be a situation that is going to go away rapidly. We do not cure a condition of the brain in six weeks like we do a fracture of the arm or some other bone.

Disabilities of the brain can vary from very minute kinds of behaviour pattern to extreme disorders. We really do not know why this is happening. It is very essential that we look at this organ and try to understand it so we can better understand our own lives.

For example, in my background of psychiatric nursing I have had the opportunity to witness and work with people who are totally incapable of dressing themselves. They do not know how to put on their pants. They will stick their arm in the pant leg. On the other hand, the particular young man I am thinking of could be given questions like: "What is the total of 2,925 plus—?" One could go on and on with a list of figures. He could have the answer by the time one was finished saying what the figures were. Yet here was a man who was totally incapable of functioning in any other way. All that was required to get his mathematical mind going was the bribe of a cup of coffee. He was very serviceable in the accounting department and that seemed to be his role. Those were the days before computers.

The other thing we tend to think about is the human brain. We have to also consider what has happened over the years in relation to our awareness of animal brains. We are now looking at the possibility of not being the only species that is capable of thinking. There is a tremendous amount of research being done on dolphins. We are gradually becoming aware that other animals do indeed communicate. This is something that has come about because of some people's awareness of the brain, its intricacies, its unknown powers, et cetera.

• (1155)

We do not actually know what we are capable of doing. We hear people talk about having a sixth sense, ESP. Some of us think that we know what that means; some of us do not. Some of us are very capable of carrying that out. Obviously there is a mechanism in our brain that could be developed along this line. Again, we do not know because of lack of research or whatever.

Also with regard to awareness, we seem to be more aware of the mysteries and the wonders of outer space, for example. That can be common coffee table talk in restaurants or wherever. Yet we do not even know the capabilities of our own brain or our own head, our capabilities of what we as a species can do. We wonder about outer space and this kind of thing. We are more aware of that than what actually makes us who we are. Nothing that we have achieved to date would be here were it not for the capabilities of our brain, and yet we still do not understand how it functions.

A few years ago schizophrenia was thought to be, and some aspects of schizophrenia are still thought to be, a behavioural disorder. Through research it has been discovered that there is a physiological situation involved in our bodies that creates some diagnoses of schizophrenia.

Another tremendous condition affecting us today in our present lifestyles is depression. We really do not know why we get into the various states of depression, yet we have all kinds of drugs and all kinds of people taking these drugs for depression. We are rapidly moving into a situation in our society where we are going to have a pill for everything. You can probably change your personality if you just start taking medication.

We realize that the brain is totally dependent on the chemical constitution of its environment. We also realize that it is very very subject to trauma. There have been situations in which trauma has occurred and we do not understand why. It is not only trauma. It can be stroke as well. Certain people are left with aphasias. These conditions can differ as well. Some people can say only half a word. Some people know what they want to say. For example, they know it is an ashtray but they cannot remember the name so they say "something to put your cigarette in". This is debilitating for them in their existence. We do not know how to help them help themselves.

I strongly advocate that the decade of the brain, and I realize that we are about halfway through it, be recognized. I think that our awareness as a species is inadequate. I would also suggest that it not only happen once in a lifetime but that it happen probably once every hundred years, if it is going to take this kind of legislation or this kind of awareness to make us aware that we do not know very much about ourselves and what we are capable of doing.

**Mrs. Barnes:** Mr. Speaker, I would seek unanimous consent of the House to make Bill C–239 votable.

**The Deputy Speaker:** Is there unanimous consent to make this a votable item?

**An hon. member:** No.

**Mrs. Barnes:** Therefore I move:

That the bill be not now read the second time but that the subject matter thereof be referred to the Standing Committee on Health; and that accordingly the bill be withdrawn.

**The Deputy Speaker:** Colleagues have heard the motion to withdraw the bill and refer the subject matter of the bill to the Standing Committee on Health. Is there unanimous consent for that?

**Some hon. members:** Agreed.

(Amendment agreed to.)

**The Deputy Speaker:** Accordingly, the order is discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on Health.

(Order discharged and bill withdrawn.)

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# GOVERNMENT ORDERS

• (1200)

[*Translation*]

## STANDING COMMITTEE ON INDUSTRY

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.)** moved:

That this House take note of the Second Report of the Standing Committee on Industry ("Taking Care of Small Business"), presented to the House on Tuesday, October 18, 1994.

He said: Mr. Speaker, in the ten years I have been sitting in this House, I have always taken an aggressive and enthusiastic stand for the small and medium–sized business sector. This is one of my priorities because I know how crucial and invaluable the vitality of our small and medium–sized businesses is to our economy.

Our small business sector accounts for nearly 40 per cent of our gross national product. It already provides employment to over four million people across Canada and generates a great many new jobs. Between 1979 and 1989, 85 per cent of new jobs in Canada were created by small businesses. This sector of our economy is the one with the highest growth rate. Because they are closer to the people and more closely tied to the community, small businesses are at the heart of our society. They are part of our daily life. The vitality, creativity and success of Canadian businesses is recognized world–wide. We all benefit from the talent, ingenuity, perseverance and sense of responsibility of our small business leaders.

Of course, much attention is being paid to Quebec Inc., these groups of Quebec businesses that have grown very quickly during the 1970s and 1980s. This is the fabulous success story of small businesses that expanded greatly in a very short time with government assistance, particularly that of the federal government. But Quebec Inc. is more than that. It is also thousands of less flamboyant and lesser known businesses which are nevertheless very successful and, more importantly, provide employment to thousands of people.

I am very proud of the fact that our government has made assistance to small businesses one of its priorities. For years, when we were in opposition, I have done everything to try and make the previous government realize how important our small and medium–sized businesses are to the Canadian economy. I asked in every possible way for governmental red tape to be reduced, single windows to be established and access to capital be made easier. I suggested that our embassies and consulates put more emphasis on the export of Canadian products. I called for the Canadian government to take a more active part in developing new markets in conjunction with businesses.

I must say that the events of the past week have made me very proud and very happy. Night after night I could watch on television as our Prime Minister and hundreds of business leaders from here developed trade ties with the most populous country in the world: China. The approach used by Team Canada has already been widely praised as a model of effective and efficient trade development. This is when we were able to see how a Prime Minister that takes the trouble to do so can, better than anybody else, develop trade opportunities abroad.

• (1205)

The team that represented us in China is an all–star team; it is the best team our country has ever produced. All my colleagues will agree, I am sure, to award the Prime Minister the first star of this historic diplomatic and trade mission. However, its success is not measured in goals as in hockey. It is measured in terms of jobs for our workers and expansion opportunities for our businesses.

This diplomatic and trade achievement did not happen by accident. It rests on this government's fundamental belief in the need to identify in concert with the private sector the strategic niches likely to enable the small businesses of today and tomorrow to achieve their full potential. In this regard, my colleague, the Minister for International Trade, has just published a report outlining how the government intends, with the help of banks, to shore up its support of small exporters.

This report sets out an action plan and proposes concrete solutions to the needs of small businesses to ensure their development and their access to export markets. We still do not fully realize how much momentum exports can give our small businesses and our economy. For example, Quebec is a trading province where not enough entrepreneurs care to face external markets. Quebec exports are worth almost $35 billion a year, but only 22 per cent of Quebec's small manufacturers export their products. And they only export 14 per cent of their production.

Two hundred businesses account for almost 95 per cent of foreign sales. Let us think for a second about the amount of business and the number of jobs that would be created if the majority of Quebec's 160,000 small and medium–sized businesses took full advantage of export opportunities.

The action plan identifies three areas where support of small exporters must be improved: access to information, access to short–term financing and access to intermediate financing. Entrepreneurs will recognize these as areas where the government's strategic involvement can largely benefit small businesses.

Through the measures it proposes to make it easier for small businesses to access information, this action plan is designed to eliminate the real frustrations felt by entrepreneurs who want to obtain crucial information on their export capacity. It creates a real resource guide that will allow small businesses to save precious time in their efforts to break into international markets. It gives them access to a team of experts and a series of dynamic and effective training programs.

We also want to create a climate of co–operation between financial institutions and small businesses. This would meet an essential need of our businesses. In this regard, the government's role is crucial because many entrepreneurs were not well treated by financial institutions during the recession. As it is, Canada does not have enough businesses that can face the new competition, without our small and medium–sized businesses having to overcome financing problems.

This reality is clearly identified in the report of the Standing Committee on Industry entitled "Taking Care of Small Business", which was tabled recently and which we are debating today here in this House.

• (1210)

The report deals with the obstacles which our small businesses must overcome to find the capital required to grow and expand. The committee came to this conclusion: "Financial institutions, especially the banks, in accepting that their own responsibility to society is greater than 'merely' being efficient, stable and profitable, must recognize the importance of small and medium–sized businesses to the national economy". This is a very important and serious point.

I congratulate the members of the Standing Committee on Industry for their clear and articulate report. Obviously, this government wants businesses to develop and to create jobs which will benefit all Canadians. For that to happen, we must act on several fronts. We want services provided by the federal government to be concrete, well targeted and, particularly, efficient. This is why the Minister responsible for the Federal Office of Regional Development—Quebec is in the process of redefining the mandate of that agency. The minister wants the federal government to become a strategic ally of small and medium–sized businesses in every region of Quebec. He wants federal services and programs to be better integrated and more accessible for those businesses, everywhere in the province.

From now on, federal programs will be based on four initiatives which relate to supporting the development of small businesses, namely innovation, market development, promotion of entrepreneurship and projects which serve as regional catalysts.

The objective is to allow the Federal Office of Regional Development—Quebec to help small businesses meet new challenges, at a time when markets are increasingly more open. The agency currently has 13 business offices in Quebec. It will put these offices at the disposal of other federal departments, in order to provide an integrated service to small businesses in the various regions. The Federal Office will thus become the real broker regarding information and programs; it will be the single window which entrepreneurs have been asking for so long.

Federal services will therefore be accessible to all small and medium–sized businesses in Quebec and there will no longer be second–class businesses or regions in that province.

This work is not only being conducted in Quebec. Federal agencies in other regions, including the Atlantic, the West and Ontario, are doing the same thing, because the number one priority of the government is to develop small and medium–sized businesses.

Our government formally pledged to cut public spending and we are taking measures to reach that goal. We must often make difficult choices. However, we are firmly convinced that the federal government must remain an efficient partner of small and medium sized businesses, because they are the ones creating the largest number of jobs.

Our approach will be better targeted and will rely more on the provision of strategic services than on financial assistance. This is what entrepreneurs have been asking for a long time. We are going to concentrate on those sectors where the federal government is better equipped to ensure real added value. There will be no waste, nor any duplication.

Real waste would be to ignore the potential of Quebec regions by depriving them of efficient federal services. As well, real duplication would be for another level of government to build from scratch a second international network to open world markets to Quebec regions.

• (1215)

Canada's geographic location is unique: Two main windows, one on the Atlantic, the other on the Pacific, plus a long border with the United States. We are in a unique position to develop our trade with the largest markets in the world. This is how we will ensure our prosperity.

[*English*]

No doubt our small business sector faces many challenges. Our entrepreneurs are concerned about the scope, the complexity and the rigidity of the regulatory processes. Our regulations are complicated and confusing. Compliance takes too much time, effort and money. Regulation by different departments or different governments leads to confusion, overlap and additional paper burden. Small businesses operating outside their own provinces often have to comply with different product and operation standards.

In 1992 a Canadian Federation of Independent Business survey found that 71 per cent of small business owners found regulations and paper burden to be an increasing problem. It is clear that with their limited resources small businesses face a disproportionate burden of compliance requirements. The government knows that and it is taking action to reduce that burden.

The House committee on regulatory reform and federal government review has been studying the situation. Thousands of small business managers have contributed to the work of the committee. More than 1,700 federal regulations are now examined and improved.

The small business working committees will be submitting their report within the next few weeks. The committee on business environment has examined the regulatory best practices of other countries and governments in areas such as sunset legislation, elimination of unnecessary or inappropriate licences, certification costs and the use of phase–in periods, differential standards and thresholds to alleviate the burden.

It is also considering how to reduce the complexity of the federal regulatory process, how to reduce or simplify the numbers of forms, reports and records required by regulations.

We must also improve the delivery of our programs and services. Currently there are over 700 federal and provincial government support measures for small business. Accessing the right program and service is a complex and most often a very unfriendly process. There are extensive overlap and duplication. Sometimes the government may also be competing with private sector suppliers of services for businesses.

The government believes that it is urgent to take action. That is why the Canada business service centres provide small businesses with referrals to sources of assistance. They provide quick, accurate information about relevant programs, services and regulations as well as some diagnostic assistance.

Business service centres minimize telephone runaround, that is where small business operators are sent from one office to another, from one telephone number to another. The business centre is supposed to take care of that problem as well as inadequate or incorrect information and duplication of government services. This will enable clients to make well informed business decisions in an increasingly global economy. Each centre offers a combination of products and services tailored to meet the needs of its distinctive client base. Currently 19 federal business departments or agencies participate in this initiative as well as other levels of government and non–government organizations.

• (1220)

The combination of participants varies from province to province with the designated managing partners who are responsible for the development and management of the Canada business service centres. In British Columbia and Alberta it is Western Economic Diversification. In Saskatchewan, Manitoba and Ontario it is Industry Canada. In Quebec it is the Federal Office of Regional Development and in the Atlantic provinces it is the Atlantic Canada Opportunities Agency. Each managing partner is well suited to deliver the best services to our clients, the small business owners.

We want to go further. We want to spread the business service centre concept to every province as a model of co–operation between the public and the private sectors. We want to work with the private sector, provincial and municipal governments to eliminate duplication and overlap.

Our colleague, the President of the Privy Council, is currently reviewing all federal government programs. A key element of his initiative will be a rationalization of small business programs.

This is more than the words and vague promises we were given by the last government. This is action. This is action to eliminate duplication and overlap. This is action to minimize the paper burden small businesses have to face on a daily basis.

I am glad to see the Minister of Industry here listening. I hope he will be listening to the debate all day so that in the near future he can respond to the report of the House industry committee and give us more good policy for small business.

In conclusion, this is action to help our entrepreneurs to do what they do best. What small business does best is create jobs. It is what every government has to do to help small business create more jobs and when we have more jobs we have a better country.

[*Translation*]

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, I am delighted to take the floor on behalf of the Official Opposition in this debate on the second report of the Standing Commit-

tee on Industry, since I am also the vice–chairman of this committee.

The committee sat from February to September and then prepared the final text of its report. We heard from 58 witnesses and received 62 submissions. I must stress that proceedings were conducted in a very constructive, cordial and non–partisan atmosphere. The problem of business financing is, obviously, a non–partisan issue and, although we are particularly interested in the political status of Quebec, an issue which will remain important and forever present irrespective of the political status we choose.

In all, the committee came up with 22 recommendations. We totally agree with some; we agree with others with some reservations; but there are three recommendations on which we totally disagree with the view and direction expressed by the committee.

At this stage, I should probably remind you of the reason why the committee considered credit or rather the tightening of credit. Because of the recession, many members, especially in Ontario, received representations protesting the attitude of the business and banking worlds towards small businesses when it came to credit. This generated a consensus among members of the committee to study this question and find out whether or not there was indeed a credit crunch. As we shall see it is not all that clear.

• (1225)

Concerning the 22 recommendations, I would like to draw your attention to the major ones, those that seem to me the most significant, starting with the ones we totally agree with.

The first recommendation we agree with and the most significant is the second one, a recommendation to the business world, and to banks in particular, that they report quarterly on lending to small business. The collection, compilation and publication of the data would give a picture of past economic activity based not only on actual loans, but also on loan applications. The information requested would include the size of the business, the nature of its activities, the gender of the applicant, the number of employees at the time of application, the volume of sales and the location of the company, so we could have, ideally by municipality, a true picture of the situation.

As I mentioned earlier, it proved impossible for the committee to demonstrate, appearances notwithstanding, that credit was tighter. In spite of all the horror stories which were related to the committee and are familiar to any well–informed citizen, especially the way borrowers are treated by bankers, the committee members were unable to demonstrate that credit was indeed getting tighter, due to the lack of proper data. We could have demonstrated that credit was tighter if we could have shown how many applications had been turned down and how many had been accepted. But without the total number of applications and the total number of loans, we are not in a position to prove that credit was indeed tighter. All we can say is that there was a drop in lending and that it may be due to a drop in demand; we have documents from the Bank of Canada to back this up.

It is presently impossible to prove anything, which justifies this seemingly technical but very important recommendation to the effect that, from now on, all business stakeholders, especially the banking world, should report their activities on a quarterly basis.

The second recommendation we totally agree with is recommendation no. 3; it deals with the drafting of a code of conduct which would compel both sides to better manage their activities, especially with regard to interpersonal relationships. On one hand, borrowers would have to disclose a certain amount of information in an objective manner, and on the other, lenders would have, of course, to behave constantly in an ethical manner, avoiding arbitrary decisions and clearly stating all the reasons why the loan is refused, and suggesting alternative sources of financing. Moreover, all lending establishments would create internal complaints–handling mechanisms.

As I said, we do agree with the establishment of a code of conduct; we understand that one is already being drafted by the Canadian Bankers Association.

The third recommendation of the committee with which we agree is recommendation no. 5. It concerns the establishment of an office of bank ombudsman, in case the internal complaints–handling mechanism described earlier fails to address the concerns of disappointed and frustrated clients. The ombudsman would be independent, impartial and could investigate complaints of breach of duty or maladministration by the banking world. Also, following the British model, if the complaint is well–founded, the bank could be required to pay compensation.

These are the three recommendations of the committee with which we readily agree.

• (1230)

We agree with the rationale behind two other recommendations, although we have some reservations. First of all, there is recommendation 14 which promotes the creation of a new category of banks, the so–called schedule III Banks. Let me remind hon. members that Schedule I Banks are the banks we are familiar with, that is the six major Canadian–owned banks, and Schedule II Banks are foreign owned banks, for example, the Banque nationale de Paris and the Hong Kong Bank. Now, we would have Schedule III Banks, institutions set up by Canadian stakeholders, like Canada Trust, mentioned in the report, or by existing groups or very wealthy individuals in Canada who would now be able to create their own banks.

We have reservations, because this recommendation, as worded, does not limit the size of these institutions, of these Schedule III Banks. There is no restriction to avoid extreme concentration of financial powers that would let some groups or very wealthy individuals become even richer.

We also have reservations about the fact that there is no restriction to avoid what can be called incestuous relationships between the parent corporation and the subsidiaries set up by this parent corporation. There is currently no code of conduct for related companies, but what makes it worst is that this kind of relationships can be set up at the expense of the people dealing with these financial institutions.

Moreover, we have no guarantee that the Schedule III Banks, these new banks, will be particularly concerned about small businesses, even though this bill tends to promote competition in the current banking system, by opening the door to new players who would be more sensitive to the needs of small businesses. The current recommendations include no measures to ensure that these new banks deal more specifically with the small and medium–sized businesses.

As I said, we agree with the principle, but with the reservations I just mentioned.

We also agree with recommendations 18 and 19, which we find a good lead that should be explored and which provide for owners of small businesses to invest up to 20 per cent of their own RRSPs in their businesses.

Since small businesses in general lack capital, we consider this to be a good idea even though we should keep in mind that the primary goal of RRSPs is to help Canadians and Quebecers to better prepare for their retirements. We must realize that this will always be some kind of alteration of the terms of reference.

The main objective is retirement planning. Until now, people were allowed to use this fund to buy a first house; they would now be able to invest up to 20 per cent of it in their own businesses. This is not a bad idea, but we must remember that it is an alteration in the terms of reference. So much so that if the businesses go bankrupt, owners will not only lose their businesses but up to 20 per cent of their RRSPs also. The loss could be significant.

Also, nowhere is it stipulated that business people who have invested part of their RRSPs must pay it back over a certain period of time. Thus, the risk is all the more important. In any case, we think that this recommendation is not supported by a sufficient number of studies and that an in–depth study should be carried out before anything is done.

• (1235)

I will now turn to the three recommendations we completely disagree with, as shown in the minority report which is an integral part of the report. These recommendations are about section 22 concerning labour sponsored venture capital corporations, section 8 on the Small Businesses Loans Act and section 10 on the Federal Business Development Bank and more specifically on changing the name of the FBDB.

In case the minister has to leave to attend to his numerous obligations, I will speak first on the changing of the name of the FBDB. Personally, I find this proposal rather ludicrous. The name of the Federal Business Development Bank is known in Quebec as well as in English Canada. I think I forgot to mention that one of the proposals is to change the name of the Federal Business Development Bank to Small Business Bank of Canada. This is nothing more than a business decision. It limits considerably the bank's mandate because it is not only the small business sector that has legitimate needs which have to be addressed.

Of course, as a nationalist and a sovereignist from Quebec, I cannot help but think that the minister and his parliamentary secretary want to use the name Small Business Bank of Canada as part of their referendum campaign strategy. It is very obvious, Mr. Speaker. Every Quebecer will know it. I would almost like to see the name changed just before the referendum campaign because it would give us one more example to show the people the kind of things that the federal government is doing, to show them what is going on in the Langevin Block.

It is similar to what the government just did with the new tourism policy, increasing the budget by $35 million to sing the praises of Canada and Canadian federalism from coast to coast. It is easy, especially when it is done with the taxpayers' money.

There is something indecent about changing the name of the Federal Business Development Bank in this period of fiscal restraint, right after the announcement of a new war budget. The government wants to spend a lot of money at the taxpayers' expense to play politics so that Quebecers will soon be able to see, as my colleague the parliamentary secretary was telling me, nice signs announcing the Small Business Bank of Canada in all of the province's regional capitals. This must mean that the government is short of arguments, which is comforting to us.

Labour sponsored venture capital corporations were our first point of dissent. It is a very subtle way for the federal government to interfere in an area under provincial jurisdiction. I will read to you proposal no. 22. "Labour sponsored venture capital corporations. The committee recommends the adoption of a new self–regulating mechanism for labour–sponsored venture capital corporations. This mechanism would link the annual supply of federal tax credits to the labour–sponsored venture capital corporation's prior investment in small and medium–sized Canadian businesses, and be subject to a strict annual audit."

And here is where the shoe pinches: "Where such a self–regulating mechanism exists under provincial legislation, the federal government would limit its review to ensuring that the labour–sponsored venture capital corporation's performance meets the objectives for which the federal tax credits were provided".

This is a very subtle, technical way of interfering in an area of provincial jurisdiction, especially, in the case of Quebec, in an area which is very well managed by the Quebec government. That government, together with the Solidarity Fund, represents a third of all labour–sponsored venture funds in Canada.

The Solidarity Fund was set up under a legislation which also defines its objectives. The application of that legislation is well managed, and we do not accept that the federal government could be coming in through the back door, by defining objectives for the Solidarity Fund because of the tax credits it gives to Solidarity shareholders. If, in the final analysis, and hypothetically, these objectives were not met by the Solidarity Fund, the federal government could come in and change the rules of the game, interfering with the Fund's mandate and its portfolio management, because of the tax credits given to Solidarity Fund shareholders. That scheme should be exposed. It is also an attack on shareholders of the fund.

• (1240)

If the federal government wants to do away with this tax shelter, let it be upfront and say so publicly. Let it be open about this, and wage the political fight that will ensue. It should be warned, though, that we will join the fray, all the more so because the Parti Quebecois government has kept its word and eliminated the ceiling forced upon the QFL Solidarity Fund by the former Liberal government in Quebec.

When this government tries to restrict such a positive initiative, an initiative that is costly for the government but maybe not that much, when it dares to create difficulties for an institution such as the Fonds de solidarité, which is more than a mere investment mechanism but is also a means to foster regional economic development—together with other actors in Quebec such as Mouvement Desjardins, the National Bank, the Quebec Deposit and Development Fund, and local actors, the Fonds de solidarité managed to create regional units in order to fulfil specific regional needs—when this government dares to interfere with instead of improving such an initiative, we have to expose that action, which we will oppose as forcefully as we can.

It would be ill–advised for me to do otherwise, since my riding benefitted immensely from the Solidarity Fund. When you think that CIP Forest Products, a well established pulp and paper company, almost a multinational company, which closed its doors for all kinds of reasons is now reopening with the help of the Solidarity Fund which invested $28 million in Trois–Rivières so that the plant can resume its activities and put 350 people back to work, you have to admit we will never be grateful enough for the Solidarity Fund.

The other important point on which we disagree entirely, as in the first two cases, has to do with recommendation No. 8 on the Small Businesses Loans Act. That act is very popular and increasingly put to use. I think it is a sound measure implemented by the federal government which supports the development of small businesses.

However, some committee members were of the opinion that the administration of this act is too expensive for the public purse. I think that is wrong. We will not successfully fight the deficit by reducing investments. On the contrary, we should think of investing much more in order to promote the establishment and development of small businesses. That is how we can promote economic growth.

Section 7 proposes the creation of a new program that would help export businesses since we know that banks shrink from lending on the basis of accounts receivable from foreign customers. If memory serves me well, banks will guarantee approximately 75 per cent of domestic accounts receivable but in the case of foreign accounts receivable, bankers are very hesitant, perhaps with good reason. That new program would give some form of assurance to the banks.

We feel that this program should not exist by itself but be included in an broader version of the Small Businesses Loans Act. In that way, exporters would benefit from the act, but so would the new economy types of businesses, those based on technology, research and development, patents, those who have no tangible assets as collateral to lenders. The act, therefore, should have a broader scope and cover the working capital of these small businesses. Then, given the guarantee offered by the Small Businesses Loans Act, banks would lend greater amounts to these businesses. That would show some vision, some innovative spirit in dealing with those who represent Canada's economic future, the young entrepreneurs of our new economy. We think that is the key to fighting the deficit on the home front.

• (1245)

As I said before, according to one school of thought, this legislation is too expensive for the public Treasury. We think that before any attempt is made to downsize the cost of this legislation, there should first be a cost–benefit analysis to evaluate the number of jobs created as a result of this legislation: the amount of taxes paid directly and indirectly and the money saved on unemployment insurance benefits and welfare payments. To say that this legislation costs the public Treasury millions of dollars shows a lack of vision and innovative spirit and a failure to see the medium– and long–term benefits. That was the third recommendation with which we entirely disagreed.

Before I finish, I would like to touch on two aspects that were not included in the committee's recommendations or in representations by the Liberal caucus, although the red book, their major source of inspiration, mentioned two measures that could very well have been included among the committee's recommendations.

The first measure was the elimination, as planned in the red book, of personal guarantees under the Small Business Loans Act. The Liberals had promised to get rid of this provision under the Small Business Loans Act; so that personal guarantees could be used to obtain loans from other sources. The Liberals conveniently forgot a promise that would have been a great help to small entrepreneurs.

A second and more substantial measure was a commitment by the Liberal Party of Canada to establish an industrial investment fund to the tune of $100 million, four times $25 million, Mr. Speaker! It was made quite clear during the election campaign that the money would be there, and the mood was very optimistic. Strangely enough, very little was said about this in committee: no recommendation on the allocation or use of such financing, of this amount of $100 million.

We can only hope that, if the matter is ever raised again, the $100 million or $50 million—which is more likely—will not be spent on a new program within a new framework but within an existing framework and especially one that already exists in Quebec.

On a more personal point, something was left out, something I myself recommended which was considered for awhile but, unfortunately it was dropped from the recommendations. It is common practice among banks, and I know this from personal experience, that when a business is in trouble or proves to be a bad risk, the lender has the right to have an outside firm go and check the financial status of the business. It does this at the request and for the purposes of the bank, which bills the individual, who is already in trouble, for the expenses incurred.

This means that the borrower is hit with a so–called double whammy: he is already in financial difficulty, and then he gets the bad news when this outside firm comes, not to further his interests but those of the lender, and in the final instance charges a fee that is often quite substantial and may mean the difference between survival or going under altogether.

• (1250)

I had suggested that responsibilities be at least shared if they could not be completely assumed by the lending institution. This was under consideration for a while, but it does not appear as a recommendation in the final report. Personally I deplore it.

In concluding, I would say that we must always keep in mind that when we talk about small and medium sized businesses, in Canada, we are talking about 900,000 small organizations, a good third of which are located in Quebec; this is more than just a number, it is something we should never lose track of. Small and medium–sized businesses are our hope for the future. If they flourish, the economy in Canada and in Quebec will benefit. If they vegetate, so will our economy. I hope that the report will help improve the situation as a whole.

I would like to point out that regional economic development is a provincial jurisdiction to which Quebec is deeply committed. The Canadian government should always keep in mind that, when it deals with regional development, it must be in a supportive role, not as the driving force.

[*English*]

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, it is a pleasure for me to participate in the debate this afternoon.

It has been a privilege to work on this committee. It was my first experience as a member to work on a standing committee of the House of Commons. It was an exciting experience and a particularly intense learning experience as we were exposed to procedural matters. The substance of the committee was very significant and required a lot of learning. It was a good experience in terms of co–operation among members as well. It showed beyond doubt that things can be made to happen if people want them to take place.

This afternoon I want to focus on three things. First, why is it necessary to take care of small business? Second, what are some of the major elements affecting small business in the economic and changing social environment that we are going to face? Third, how will some of the recommendations in the report help small business survive today and be prepared to meet the challenges of tomorrow? It is within that context we can well look at the report as setting some pretty good foundational types of statements for the future.

Why is it necessary to take care of small business? Small business creates jobs. Eighty per cent to eight–five per cent of the new jobs created in Canada were created by small business. It is also the engine of economic recovery. I can give some examples from Kelowna. It has been described by many as the best place to live in Canada.

What is the economy of Kelowna? It is small business. I can give some specific examples. Western Star Trucks recently won the Canada export award. In terms of the context of General Motors and Chrysler it is a very small operation. Kelowna Flightcraft recently got the contract for Purolator and is distributing parcels and mail all over the world. Riverside Forest Products supplies plywood and lumber products internationally and nationally. Then there are literally hundreds of small, often mom and pop shop operations that make up the basis of the economy of Kelowna. Some of them are on the cutting edge of new technology.

Take for example Brenda Mines which had to close its mine just up from Peachland and is now using technology that was developed in that mining operation and travelling all around the world, centred in Kelowna. These specialists are going into South American and other countries helping these people to develop their mining operations.

Northern Airborne Technology supplies much of the internal electronics found in helicopters today. The very same small businesses are providing a very interesting transition between the old economy and the new economy. We have a truck that runs on today's highways and yet is using computer technology in terms of the way the trucks communicate with one another and a whole system of record keeping is right on the truck as it moves across the continent.

• (1255)

Let us now look briefly at the environment within which these small businesses today and tomorrow will operate. Our society is in transition. The farmer has become an agribusiness person with specialized knowledge and skill in the agricultural business. Blue collar industrial workers are becoming auxiliary employees in many instances and yet they leave a very significant legacy that affects all of us. With them came unions, with them came middle income salaries without the need for extensive post–secondary education, and with them came strong political power.

Today a new workforce is emerging. That new workforce is the knowledge worker. This workforce will be highly educated and manually skilled. The transition from the predominantly blue collar workforce to the new knowledge worker will require a change of attitude, beliefs and values on the part of every member of society. Education will become the centre of that society. World economic competitiveness will rely on our ability to acquire and apply knowledge. Productivity of the knowledge worker will become the economic challenge of society and productivity of the non–knowledge worker will become the social challenge of the knowledge workforce.

To many of us these are new ideas with significant consequences. Small business will play a significant role in the new economy because small business represents the creativity and ideas of the entrepreneur.

Let us take the establishment and growth of Microsoft as an example. In the beginning it was an idea. Today it is a multimillion dollar corporation that remains on the leading edge of technology. It is particularly significant that Bill Gates, the man who pursued the idea of the Microsoft company, is rumoured to have recently purchased the ideas of Leonardo da Vinci. That is very interesting: greatness then, greatness now; two men, two big ideas, each in their own way changed the world they lived in, the world we live in and the world that is going to be facing our children and grandchildren.

Once farmers ploughed with horses, and today farmers drive tractors with electronic sensors to monitor temperature bearings, they talk to their home base via electronic telephone from pressurized cabs, listening to quadraphonic music played on CDs. Internal combustion engines have computerized fuel injection systems. Making things is often now the function of robots that do not get tired and seldom vary in terms of quality; all ideas, all knowledge, all had their roots in small business.

Ideas are the key. Some of the characteristics of the new economy will require new ideas if our economy, our society and our small businesses are to benefit. We must recognize that the new economy is knowledge based and that means that production will be the application of knowledge and that requires not one time learning but continuous learning. It relies on highly specialized people.

That new economy is also global in scope. Knowledge knows no boundaries. It is portable and can be applied almost anywhere that people live. It is independent of race, age, sex, culture and religion.

The new economy also affects and impacts the old economy. Whether we live in the new economy or the old economy we will still need food, clothing and shelter. This new economy also requires its own infrastructure, for example satellites, fibre optic cable communication systems and so on.

It will significantly affect our workforce. Training and education will become central. Increasingly we will rely on a voucher system of financing education by individuals. Private and public institutions will be proliferating. Industry will take a far larger role in the training and education of its people and continuous learning will be the hallmark. That learning will often be modular in terms of programming and in terms of times when it is delivered or partaken of. Productivity and quality will both be measured in terms of the availability and efficiency of the application of knowledge.

• (1300)

Another point that needs to be put in here is that the ownership of the means of production will shift and will be redefined. It will gradually move into the hands of the workers.

For many of us we know that this has already happened and is happening right now. Pensions, for example, own increasingly large proportions of the equity of businesses and through deferred income very many workers are now owning significant sections of the means of production.

There has also been a shift in sectoral development. Sectors that were once the driving force of our economy are no longer as important as they once were. Auto, steel, petroleum and housing industries are still important. We still need them but they have

been replaced as significant sectors by semiconductors and computers.

Health and medicare, communications and telecommunications and instrumentations are the new sectors that drive the economy. They are the new engines of today's economy. Today Canada's electronic industry is larger than its pulp and paper industry.

The computer service industry in Canada employs more people than the auto industry. More people in British Columbia work in communications and in telecommunications than in the entire forest industry. More people in Ontario are employed in business services than in the construction industry.

More Quebecois work in health and medical care than in construction, textiles, clothing, furniture, auto, forest and mining industries combined. We are in the midst of significant industrial changes and whether by sheer will or by circumstance, we are making the transition from the old economy to the new and small business is the key.

Why is it necessary to take care of small business? Knowledge workers are the ones who will establish small businesses. Small businesses will provide the flexibility for knowledge workers to develop their ideas.

Adaptation to the new economy will require change. Small businesses are much more likely to change than are large ones. Why? There are fewer people involved. There are not as many interrelated parts. Co–ordination and planning are much easier. Learning can take part at one's own speed rather than having to wait for someone else to catch up.

Change can be much faster. The concept stage to the idea stage to the planning stage to the implementation stage can happen with one person. There is no board of directors to persuade. There is no senior manager to convince. There is no petty company politics and there are no petty jealousies. Change is easier and faster.

The rate of change will become a major factor in order to maintain our competitive advantage if that is the situation in the future and it will be. The small business person also owns the knowledge. Take for instance a software company and the means of production, the computer.

The farmer knows how to farm. He owns the land and the machines. The small businessman needs money to get established in the first place and then to do the operation that is necessary in terms of hiring the right people and in building the buildings that are necessary in a manufacturing operation. They need money for expansion.

There are some serious difficulties with access to capital. One of these is excessive taxation both in terms of payroll taxes and in particular capital gains taxes. Financial institutions, especially banks, stand in the way because they are so large and slow to change.

Remember, one of the big things we are going to have to do is change quickly and to do so successfully. They are often untrained in personnel and not knowledgeable about the knowledge based industries. There are some notable exceptions but by and large they understand only hard assets. They do not know how to value what is between the specialist's ears.

Concentration of financial powers in the banking community in particular is also a resister, a very serious one. In Canada we have eliminated the four financial pillars. We used to have banks, trust companies, insurance companies, brokerage or investment dealers, four distinct financial pillars. Banks now function in all four areas. It has reduced competition among these sectors. It has reduced the efficiency because the size problem makes change difficult and slow.

• (1305)

Of even more significance is that because of their concentration these institutions now determine policy, a policy that is first of all in their best interest and not necessarily in the interest of the general public. Governments are unduly influenced by that. It is a very serious consideration that has to be examined.

The report does not deal with this thing but it is one thing that is very significant and the omission should be recognized. It is really significant that we look at some of the key recommendations now and how they will tie in and help small businesses and clear the way for them to do the things that have to be done.

I would like to pay particular attention here to the community based venture capital companies that exist in some areas. There are a number of people who had advocated these. Larry Zepf is the chairman of Canada's technology triangle alliance, Kitchener—Waterloo, Guelph and Cambridge. This is a pilot project that looks like it is going to do a lot of good things in getting venture capital going. Mr. Doyle cited Austin, Texas, as a good example of how local venture capital companies can work.

In that city which is about the same size as Ottawa technology jobs since 1981 increased from 10,000 to 30,000, a 300 per cent increase since 1981. During that same period in Ottawa the number of technology workers increased from 22,000 to 25,000, a 13.6 per cent increase. That is all. Who is running the show here? Who is at the leading edge?

There are some interesting things happening in Quebec. Let me quote the senior executive vice–president of the national bank: "With regard to start–up capital the route we prefer is to channel our resources through the many regional or sectorial

risk capital corporations that exist in Quebec". We would do well to listen to these community establishments.

Gordon Sharwood, referring to a study by the Canadian Chamber of Commerce, states community investment banks to assist local entrepreneurs to assess risk and capital and apply that capital are the things that we should be advocating in the future.

Another recommendation that comes out of the report has to do with the reporting of statistics to make sure that we get a reflection of how well the banks are serving the needs of the small business person. The new statistics should be reported quarterly and indicate the size, type of loan, the nature of the borrower, including gender and employment, the number of people in the business, their sales volume, major sector of operation and so on. One or more of these banks should report quarterly to the industry committee.

Another key recommendation is code of conduct. I do not know whether we have ever had of such a thing as a code of conduct for the banks. They tell us that they have one. When it comes to calling them to account, we wonder where that code of conduct went. The recommendation says clearly that a code of conduct shall be developed and that there should be an independent, self–financing position of ombudsman to make sure that the banks do live up to the code of conduct that has been set.

In order for Canadians, business workers, citizens, all of us, to receive the maximum benefit from the present economy and to be prepared for the new economy we will require a new attitude for government. First, the government should get out of the way of entrepreneurs; second, set clear guidelines that establish level playing fields for every one; and, third, prevent the concentration of power by preventing the establishment of huge combines and abuses of trust.

Another is the development of a new culture and attitude on the part of each Canadian saying that government does government and business does business. Neither one should try to do what the other one should be doing.

• (1310)

Specifically I would suggest that the role of government is to establish and maintain a culture that rewards entrepreneurship, innovation and research, and ensures a level, competitive and honest marketplace. To do so it should emphasize achieving first an attitude of spending by government that does not exceed revenues and results in a balanced budget over a three–year period beginning now; second, less interference in the marketplace by getting out of business; third, by repositioning and renewing government resources to maximize efficiency at reduced costs; and, fourth, a commitment to no further tax increases for Canadians.

We also need a new relationship among businesses, business networking where businesses learn to work together in new ways to help one another while maintaining a competitive edge and a co–operation among businesses to help assess risk in terms of getting new capital and negotiating interest rates with banks and other financial institutions. This report is called taking care of small business. The truth is small business is creativity. Small business is ideas and if government gets out of the way small business will take care of itself and us. I urge the minister to act immediately to implement the recommendations in the report.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I have a short question for the member for Okanagan Centre.

Sitting on that committee with him over the last nine months was a real privilege. The member provided great insight and was passionate in his concern for small and medium sized business. He in large measure was one of the reasons why we virtually presented a unanimous report to the House. It is something the people of Canada really wanted, the first ever challenge to the banks of Canada coming forward in a unified way.

My question to the member is one of clarification. Members of the Reform Party say they do not want the government to interfere in business or to get involved in business. Many of the recommendations in the report would mean that we would have to reopen the Bank Act and would in effect mean that we as legislators were giving new direction to the financial institutions. Surely the member is not advocating that we walk away from giving that kind of advice to banks.

**Mr. Schmidt:** Mr. Speaker, I really appreciate the kind comments from the parliamentary secretary. I guess this becomes a mutual admiration society at certain stages because it was pleasant working together.

With regard to the involvement of government in business, the key point is that government should not do business but should provide the kind of leadership and parameters within which businesses can operate and where they can be in competition with other businesses so that the marketplace can operate and costs can be reduced and that all of us will benefit.

It seems to me that money left in the hands of the entrepreneur, the individual Canadian citizen, will be far more effectively spent than $1 put in the hands of a politician. It is in that sense that we make the point.

Business people are far more effective in making business decisions than government is about making business decisions. Government should provide the legislation, a level playing field that allows the business person to operate. That becomes the key

and I am sure the hon. parliamentary secretary recognizes that is an appropriate role for government and business. They should not be mixed up like this. They should be separate.

• (1315)

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, I also was very happy to have worked on this committee with my hon. colleague. Could he clarify for me one comment in his very good and very well presented speech? He talked about his concerns with concentration in our economy. Since we focused a lot of our time on the banking sector I am assuming that is one of the specific areas of our economy to which he is referring.

As we know, a high concentration of chartered banks basically control the banking sector. Has he some specific proposals regarding how to break the banks down into smaller units? What are his ideas?

**Mr. Schmidt:** Mr. Speaker, the question is an extremely cogent one and one that will require more study than I am prepared to give it in the next two or three minutes. The fact remains that the elimination of the four pillars that I mentioned in my speech where we had a separate and distinct function for trust companies, for insurance companies, for investment dealers and for banks was a useful distinction.

Now that the banks are doing all of these things we have this concentration of power. Somehow there has to be either more competition outside the banking field so this can happen, or the whole idea of concentration within the banks needs to be re–examined. I would suggest the Bank Act has to be reopened, as would certain other legislation. It would be a very useful exercise for the House to get involved in that type of activity.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I am very excited about participating in the debate. It is something I felt very strongly about in opposition, as did the whole party.

As most Canadians will remember, the Prime Minister made a commitment even before the red book was published. During the last election campaign he made a commitment in the press gallery across the street that his would be a government that for the first time ever would challenge the financial institutions in the country to become much more sensitive to the small businessmen and women who are employing right now close to 80 per cent of the nation's workforce.

I put a little emphasis on women because it is not just the language that is changing. The facts are also changing by the contribution that women are making in terms of owner operated small businesses today, not just in our economy but throughout North America.

I was reading not too long ago in *Fortune* magazine that women owned or operated businesses in the United States employed more Americans than all the Fortune 500 companies combined. That thrust of women participating in the entrepreneurial sector, the small business sector of our economy, is no less a dominant factor in Canada. It is very important that all of us recognize that, especially the banks of Canada.

After we were elected the first order of business with the industry committee is living up to that commitment. I must compliment the members of the opposition, the member for Trois–Rivières, and the earlier mentioned member for Okanagan Centre from the Reform Party. Without the unified spirit and desire to really make this committee work, I do not believe we would have the report we have before us today.

• (1320)

Mr. Speaker, you have been around here for a long time. I have not been around as long as you have, but I do know for a fact it is very rare that a committee report has such a unanimous spirit about it.

A second very rare thing is that there are no copies of the report left. We had to order a reprint. It shows the keen interest that all members of Parliament have in looking out for the small businessmen and women in every constituency across the country. We have all said repeatedly that the small business community represents the greatest hope for putting Canadians back to work.

Last week was our recess week and I had the privilege of having lunch with a former parliamentarian, a former minister of the crown, Paul Hellyer. He has just finished publishing a book entitled *Funny Money*, a common sense alternative to mainline economics. As I read the book on the weekend I noticed there is just one page of his description of the attitude of banks toward small business. For the benefit of the House I would like to read a short excerpt from the book *Funny Money* by Paul Hellyer.

> Nothing irritates me quite as fast as a bank spokesperson saying, in response to the suggestion that they make more money available to small business, "We have to act as guardians of our depositors' money." Such fatuous double–speak! What they are really saying is that we, and we alone, will decide for whom we will create loans and we prefer governments, brokers and big business because that way we can make more money for less work. If they were only concerned about the safety of existing deposits they would have been less cavalier in making loans to Third World governments, large real estate developers and the leveraged–buyout monopoly players. It was the banks' greed, rather than their prudence as guardians of their depositors' money, which ruled the day.
>
> If the whole idea of creating new money is to facilitate the creation of new wealth in the form of increased output, then the entire addition to the money stock should be directed to that purpose. In effect new loans should be made for either investment or consumption because they are the two sides of the same coin! I cannot remember a market for anything that some enterprising entrepreneur didn't try to capitalize on. But if, as in the Great Depression and in one or two recent recessions, existing capacity exceeds demand, entrepreneurs are unlikely to line up for loans to create additional

redundant capacity. So consumption, which creates income and savings for others, and investment are Siamese twins which cannot be separated.

It is the small businesses, which create the most jobs and increased output, that have the most difficulty getting bank financing. In the Spring of 1994, Helen Sinclair, president of the Canadian Bankers Association, cited one of the best known excuses. She admitted that banks have a problem in their relationship with small business but defended their caution by pointing out that federal government statistics show 50 percent of all small businesses don't make it past their fifth birthday. That may be so but an equally interesting and important statistic would be the percentage which failed because their bank took away the safety net just as they jumped off the highwire. As I mentioned earlier, I have never known an entrepreneur, myself included, whose bank didn't try to put them out of business at one stage or another of their development. It would be in the country's interest if a certain proportion of new loans had to be made to small business with limited or no collateral where the investors, as a condition, were willing to risk their own savings. Character assessment might be part of the consideration. It is one which appears to have been pretty well disregarded in recent decades.

Having considered that, the bank should be prepared to lose and write off some proportion of the small loans each year. It should satisfy their irresistible urge to gamble if they were to gamble on people who want to build real products and provide real services for a change.

• (1325)

I recommend the book that Mr. Hellyer put together. It is extremely appropriate when we are debating the recommendations of this report.

The report in question is a very significant signal from the government, and supported by the opposition parties. Less than a month after it was tabled, we are having an all day debate on it. We realize it is a non–votable motion but it is very important because it is the Prime Minister, the cabinet, the government sending a signal that they are truly committed to the work that all members are doing in trying to get the small business community going.

Therefore Canadians have to ask ourselves what is in the report that is going to change the attitude that banks will have toward small business. I would like to begin by sharing with the House and Canadians that starting with recommendation number one in the report the attitude of banks will change.

The first recommendation is that the committee proposes to continue monitoring small businesses' access to capital by calling one or more banks as witnesses every quarter to review their performance in lending to small business.

I can tell the House that never ever in our history have we had a committee complete a report and then institute a recommendation whereby a sitting standing committee of the House agrees that at every quarter it will continue to do the very work that it was doing in the first six months.

What does it mean? It means that probably in February, because the report was tabled last month, the committee members will sit around and say: "Okay, what three or four banks do you think we should invite first to come before the standing committee to talk about the new products, the new services and the performance that they have given to small and medium size business?"

We are certainly not going to let them know in advance because obviously that would not be fair. What we will do is put them all on notice. There are many financial institutions in this country of course. Some might want to come right away. We cannot do that so we will randomly pull three or four and they will come before the committee and report. By reporting to us they are in fact reporting to all the people in Canada. At that time hopefully they will be proud of the accomplishment they have pulled off just since the report has been tabled.

However, it does not stop there. The second recommendation in the report has to do with the reporting structure. Most Canadians do not realize it but the current situation for banks reporting to the Superintendent of Financial Institutions is very haphazard. In other words, one bank will classify a small business loan as anything under $500,000. Another bank will say a small business loan is anything under $1 million. Another one will say it is everything under $500,000 plus whatever mortgages it loans that small business.

The point is there is no standardized reporting structure. It means we do not have a handle on exactly what is going on with the small business portfolios of all the financial institutions in Canada.

I must say that recommendation number two is a very tough recommendation. I am sure that the banks will find it very frustrating to live up to this one. This is what it is. The committee recommends that the Superintendent of Financial Institutions, together with Statistics Canada and the Bank of Canada, develop a new format for the collection, compilation and publication of statistics on bank lending to small business.

• (1330 )

These statistics should be based not only on the size and type of loan but also on the nature of the borrower, including gender, according to employment, sales, major sector of operations and—key word here—by municipality. These statistics should be reported quarterly. That seems self–explanatory but one might ask why by municipality is important. Many members of Parliament brought to our attention that they felt their municipalities were not being serviced by the banks.

There might be a remote region of our country where lots of people are putting money on deposit but the bank might not be putting it back into the community. Recommendation number

two will allow members of Parliament to call the superintendent of financial institutions and say that they want to look at the banking activity in the municipalities located in their ridings.

If all of a sudden it is discovered that a bank is doing well with the loans it is putting back into the small business community in the riding, we can let the bank know it is doing a good job. If other banks are only taking out deposits and not putting anything into the municipality, we can also write nice letters asking: "What about our ridings? What about our municipality? The deposits you are taking out of here are pretty large. Why can you not put some back into the small business community?"

I believe recommendation number two is going to have a profound effect. Everyone knows that the thing banks fear most, believe it or not, is not government regulation. The thing they fear most is competition. Banks cannot stand competition. Never mind the schedule III stuff, we will get to that, but just competition among themselves.

If you put the scanner on banks in your municipality and you see that two or three of them are a way up there in their contributions but a couple of them are not doing anything, that does not look good to the depositors and the customers who provide their lifeblood and their viability.

I am really confident that the recommendation which was unanimously accepted will go a long way in stimulating the small business community. There are many other recommendations in this report I would like to deal with.

I would like to deal with the concern the industry critic, the Bloc member from Trois–Rivières, stated in his address. The member talked about his concern of this government's commitment to the Federal Business Development Bank which the committee recommended should be changed to the small business bank of Canada.

None of us supported the condition that exists currently in the FBDB. Most of us believe that the Federal Business Development Bank needs to rethink its policy approach. It has to be much more contemporary. It should look at new instruments to get more financial support, not by going to the public treasury but possibly by looking at the issuance of preference shares which would not have an adverse effect on the treasury of Canada.

However we believe that the small business bank of Canada, if we could rename it that, could act like a supercharger in terms of creating more interest in that field. In other words it would go back to bringing attention to what it was designed for. It was primarily designed to be there when the other financial institutions were not supporting small and medium sized businessmen and women.

• (1335)

We looked at one of the best banking systems in Canada, the Caisse populaire Desjardins. The people from Desjardins came before our committee. They have a fabulous system. We do not have such a system in Ontario but I wish we did. We are run by the paper pushing towers of Bay Street. That is the problem we have in Ontario. We do not have a Desjardins movement. Many of us thought that through redesigning and retrofitting the Federal Business Development Bank we could create a much more aggressive and grassroots approach to banking.

Bloc members should not think this is part of a referendum strategy. It is a genuine approach to making sure that we have more instruments in getting access to capital for small business. I jokingly said to Bloc members that maybe we would set up a couple of hundred branches of the small business bank of Canada in Quebec to accelerate the federal presence in the province of Quebec. I was only kidding when I said that so the member should not think that is part of our design. We merely want to make sure that this bank becomes much more contemporary and much more aggressive in dealing with small businessmen and women.

I will end my remarks by saying that the Prime Minister and the Minister of Industry have led the way for all of us in the House in making sure that small business becomes a front burner sector in terms of policy making. They have also made sure that this issue is put on the front burner in terms of implementing change in legislation quickly.

I hope that the tone of today's debate can continue. The more constructive we are in making the recommended amendments that are needed to the Bank Act, the quicker we can get on with making sure we create that environment the member for Okanagan Centre described which will cause the entrepreneurial spirit to flourish once again in this country.

[*Translation*]

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of Industry. Concerning the name change from Federal Business Development Bank to Small Business Bank of Canada, I would say that the principle of helping small business may be worthwhile, but we consider that this would restrict the bank unduly. And quite frankly, we object to the expression "of Canada", which we consider inopportune and a bit too pre–referendum to our taste.

I would like to ask the hon. member whether he believes that the report deals fairly, sufficiently and adequately with the concept of a new economy, considering that, as he will recall, the committee was seeking to limit the application of the act, while the opposition fought that notion and argued that any restriction should be imposed only after a cost–benefit analysis

of the pros and cons? As regards the new economy and the guarantees to be given to the lender which make the lender insecure, should we examine such issues? Does the hon. member believe that the committee has done anything for the advancement of science in that field so that the movers of the new economy will be better served?

[*English*]

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, I realize that the member for Trois Rivières is talking about the Small Businesses Loans Act. We all agree that the Small Businesses Loans Act has done a terrific job. When in opposition many of us proposed amendments. I have to say that the Conservative government of the day, believe it or not, listened to some of our amendments and the Small Businesses Loans Act is working right now.

• (1340)

The problem of course is with the government float of $4 billion put on that Small Businesses Loans Act. Right now it seems the float program has been so successful that the float is tapped. Therefore the member from the Bloc is asking whether or not I would recommend that we expand the float. This decision of course is ultimately the responsibility of the Minister of Finance.

I say to members opposite that I do not share the pessimism on the loan loss on the Small Businesses Loans Act. I think the loan loss will be much lower than the pessimists predict. The pessimists predict it is going to cost the treasury about $100 million. I do not share that pessimism. The economy is coming back. No doubt there will be some loan loss but I think it will be considerably lower. Of course that spin about the loan loss provision is causing people to get nervous about the float. In fairness the committee said that we would look at it in the next 60 to 90 days.

A far more aggressive thing for us to do is to make sure that the banks start picking up some of that slack in the small business area which the Small Businesses Loans Act picked up over the last year and a half. In other words now that the banks realize the Small Businesses Loans Act did its job and they have had time to rethink they can pick up the slack. As the member for Spadina has often mentioned in committee and in the House, and Mr. Hellyer supports his view, we should give some specific targets for loans to small business. If we started pushing the idea that a percentage of the portfolio in the banks should go toward small business then maybe we would not need to augment the float under the Small Businesses Loans Act.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I read with great interest the industry committee's report on small business. In my view there is one very glaring omission and that is the tax base on small business and businesses at large. I wonder if the member for Broadview—Greenwood would care to spend a few minutes talking about what could be done to encourage business through the tax base.

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, that of course is a glaring omission in the report. There should have been some recommendation as to how this government should look at tax reform for small business but that was not our mandate.

I am confident that over the next 60 days this House of Commons will look at comprehensive tax reform in a very serious way. We are all getting signals that defending the status quo is no longer the right option or the right path to take.

The Reform opposition has the view which I happen to share that it is time the country had a single tax system, 20 per cent across the board. Small business would not pay anything on the first $50,000 which would go to reduce paper burden and a lot of other things.

I hope we can have that debate because I think the whole country is ready for it. However that was not the mandate of the committee, but stand by.

• (1345)

[*Translation*]

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, I am pleased to speak to government motion No. 16 on the Second Report of the Standing Committee on Industry, for two important reasons.

Primarily, first of all, there is regional development. There is all the energy, efforts and action with respect to regional development in Quebec, and I am speaking about true regional development that will reach all the administrative regions in Quebec, not just the major centres or the large cities, but the furthest reaches of all administrative regions.

This is an exercise that has been going on in Quebec since 1984. It is a major exercise in defining regional development in the regions, and a series of framework agreements are now being signed, region by region, with respect to economic development.

I would simply like to tell my government colleagues across the way that regional development is Quebec's business and that it is in order to avoid duplication, in order to increase the efficiency of actions and investments in regional development that all the members of the Bloc Quebecois, the official opposition, are simply asking that the federal government withdraw from regional development in Quebec.

"The Bloc Québécois Members of Parliament on the Standing Committee on Industry are of the opinion that the Government of Quebec is in the best position to recognize the financing requirements of SMEs, and to develop and implement programs". So reads the first sentence in the dissenting report by the Bloc Quebecois members of Parliament on the Standing Committee on Industry, of which I am a member, studying access to financing for SMEs.

I therefore propose to take this opportunity to speak to government motion No. 16 in order to broaden the debate and thus express the dissent of the Bloc Quebecois, which continues and which is linked to the federal government's overall approach to regional development in Quebec.

The Bloc Quebecois is opposed to the interference of the federal government in regional development for two very specific reasons. First, because the federal government, instead of eliminating regional disparities, only made them worse, while precipitating the disintegration of peripheral regions, as its action was limited to central regions.

Let us be quite clear. I mentioned earlier that regional development in Quebec concerned all remote areas, and not central ones such as major cities. One master agreement after another is being signed with the Quebec government respecting the economic development of all areas. But such federal initiative has traditionally been limited to major urban centers and has literally caused the disintegration of peripheral regions, that is to say those regions outside of major urban centers.

Second, federal government initiatives within Quebec has been synonymous with the duplication of organizations. And my hon. colleagues know it full well. We all know of overlapping responsibilities and instances of horizontal and vertical duplication. They have been identified and the government even indicated it was prepared to eliminate this overlap and duplication in public administrations which are basically mismanaged since public funds are being squandered over various structures that serve essentially the same function. In time, this adds up, as we have seen, to billions of dollars and we end up today with a major deficit in the federal budget.

As for the disintegration of peripheral regions, I want to make something quite clear to our colleagues opposite. Since 1974, with the Liberals in power at the federal level, regional development was generally funded under federal–provincial agreements to which subsidiary agreements were added, as you know.

• (1350)

All these agreements covering the decade from 1974 to 1984 —these were 10–year contracts— totalled $1.8 billion, 26 per cent of which was earmarked for the greater Montreal region and 4 per cent for Quebec City. This means that 30 per cent of the total budget for this first set of so–called regional development agreements went to central regions. This first Canada–Quebec umbrella agreement for 1974–84 followed on the 1970 report by Higgins, Martin and Rénaud, which had been ordered in 1969, as you will surely recall, by the federal Department of Regional Economic Expansion, DREE, for the purpose of directing the federal government's activities for economic development in Quebec. So it meant a doubling of federal involvement in economic development in Quebec.

This report concluded that Quebec's economic weakness was due to the weakness of its only major centre, Montreal. As a result, the federal government's active involvement in Quebec in the 1970s set the tone for its approach to Quebec and did considerable harm to the Quebec government's regional development policies. The federal government sees a whole region or province as the focus of its regional development efforts. The federal government does not consider the geographic and demographic regions that make up a province.

From 1972 to 1984, regional development focused on certain growth centres. That was the approach. The way to a better distribution of wealth involved industrial solutions concentrated in urban areas. The policies adopted were disastrous for the outlying regions since the urban centres went a different way and it aggravated the rural crisis by draining workers, resources and capital.

I will explain the prime example which concerns the allocation of the budget and the corrective action that can be taken.

A second umbrella agreement was signed in 1984, in effect extending the first one for ten years. Knowing full well that outlying regions are breaking down, they renewed a $1.7 billion agreement for this period, allocating 36 per cent of the budget to Greater Montreal and 10 per cent to Quebec City. Between 1984 and 1994, the federal government increased its involvement in central regions to the detriment of outlying regions.

On the subject of regional development, it is important to respect the extraordinary dynamics between small and medium–sized businesses, municipalities and all stakeholders in the areas of education and health to organize a region in such a way as to prevent an exodus of our young people. This situation—the exodus of our young people and the aging of our population—is one that the hon. member is experiencing in his own region and that is also being experienced in other regions of Canada.

The subsidiary agreements that make up this second Canada–Quebec agreement, such as the regional and economic development agreement signed in 1988, confirm the existing structural inequalities. Businesses are allowed to set up shop in and develop central regions where they will find a concentration of people, a market. For some businesses, it is better to be based in a densely–populated area with a market of 2 million people than to move to an outlying region.

As we are fully aware, small and medium–sized businesses have different distribution systems for their products. Exporting businesses, in particular, can be based outside major centres, since they can ship their exports by road or other types of transportation allowing them to set up shop elsewhere.

Quebec regions are in an advanced state of disintegration. The demographic weakening of outlying regions is symptomatic of the state of degradation in several regions. The population of outlying regions continues to decline dramatically, especially in rural areas, thus compromising the settlement and viability of these regions. You are aware that people in every region fight to keep plants, small businesses, schools and even whole villages from closing.

• (1355)

This legislation tabled by the new Liberal government to establish the Department of Industry is patterned on the centralizing principle which has always prevailed within that party, in that it provides the same rigid and heavily centralized structures, as well as national standards for the whole territory.

We will still have an across–the–board policy applying to all of the very large Canadian territory, regardless of the particular situation in the various regions.

Take a look at how program services and business services are split within the regional operations branch of the department. It says very clearly—and the member who tabled this motion should listen—in the development program of the Department of Industry, under the heading "Regional Offices", that: "This component establishes a general framework designed to promote excellence and competitiveness in every region of the country. Regional offices participate in the development of policies designed to promote the fulfilment of national objectives". We are back to square one, because these are precisely the national objectives which ruined remote regions in Quebec.

By integrating the federal offices of regional development and transforming them into service centres for Canadian businesses, the Liberal government creates a single window to provide information on federal, provincial and municipal programs and services in Quebec, with the objective of—

[*English*]

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, I rise on a point of order. I listened carefully for the last 10 minutes to the member from the Bloc. We are on Motion No. 16 which talks about the industry report taking care of small business. We are halfway through the member's remarks and so far we have not had anything that is relevant to the message of that report.

**Some hon. members:** Hear, hear.

**The Speaker:** Hon. members have me at a bit of a disadvantage. I just came into the chair. It surely is not a point of order.

[*Translation*]

As there are a few minutes left, the hon. member could carry on now and continue after question period, since he will have some time left.

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, I understand that it hurts when we discuss regional development and refer specifically to small businesses in remote regions. This is what I am talking about. This is related to the motion tabled. It hurts the hon. member, but he is depriving me of some of the time allotted to me.

**The Speaker:** Order! I can assure the hon. member that he will be able to use all the time to which he is entitled.

[*English*]

It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[*English*]

### FEDERAL ELECTION

**Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.):** Mr. Speaker, in the past few weeks we have acknowledged the anniversary of the last federal election. We must never forget the volunteers who worked on the behalf of all candidates and all political parties throughout the election.

My campaign manager, Alex MacCrae, worked very hard on my behalf. His caring and enthusiasm always supported me and provided encouragement to the volunteers who knocked on doors, delivered brochures, telephoned and did all of the work associated with elections.

All of us are here today because of individuals who worked with endless energy on our behalf. Volunteers represent all ages and come from every background in order to elect their candidate. Whether we are elected or not we are all winners because of these people who are often strangers to us and who believe in us and in what we do.

* * *

[*Translation*]

### VETERANS

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, I have just returned from a trip to Belgium and the Netherlands organized by the Department of Veteran Affairs as part of the Canada Remembers Program.

In connection with Remembrance Day, I wish to draw the attention of this House to the respect and gratitude expressed by the people of Belgium and the Netherlands at the various ceremonies I attended, which were held to commemorate the fiftieth anniversary of the liberation of their country by Canadian soldiers in October and November, 1944.

The Bloc Quebecois is proud to take part in events of this kind and, in so doing, ensure we will never forget the Quebecers and Canadians who gave their lives to defend and liberate these countries from the Nazi yoke.

May the memory of their supreme sacrifice help us avoid further armed conflicts and renew our attempts at reconciliation and peace.

* * *

[*English*]

## SUNSHINE VILLAGE

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, today marks the final day for which a court appeal can be launched against the Goat's Eye project at Sunshine Village ski resort. This project was approved in 1992 subject to endorsement by the Environment Assessment Review Panel, which was given.

In September 1993 Parks Canada and Sunshine executed a construction project agreement and a $100,000 bond was issued by Sunshine Village. In November a court injunction was sought by outside environmental groups to prevent further development. In January 1994 the Minister of Canadian Heritage halted development at Sunshine and requested the project be referred to a FEARO panel.

Sunshine Village then launched Federal Court action to enforce its contractual rights with Parks Canada. On October 13, 1994, the Federal Court of Canada ruled in favour of Sunshine Village, given that the environmental assessment provided for sensitive management of the ecosystem during construction.

On behalf of all Canadians who in good faith conduct legitimate business with the Government of Canada, I urge the Minister of Canadian Heritage not to launch an appeal against the Federal Court of Canada's earlier decision.

* * *

## DONALD GREEN AND LEAH BEDDOME

**Mrs. Marlene Cowling (Dauphin—Swan River, Lib.):** Mr. Speaker, I rise today to recognize the accomplishments of two outstanding young people from rural Manitoba, Donald Green and Leah Beddome. Donald and Leah were among the 16 national winners of the Farm Credit Corporation's 4–H scholarship awards program. I am proud to note that Leah is from Rapid City in my riding of Dauphin—Swan River.

This is the first year of the program which has been established to assist rural youth and future Canadian farmers. The winners were selected based on essays submitted on one of three agricultural topics. For their efforts Leah and Donald each receive a $1,000 scholarship to pursue post–secondary education.

Leah and Donald are to be commended for their interest in and commitment to agriculture and rural Canada. I ask all members of the House to join with me in saluting the achievements of these young leaders of tomorrow.

* * *

## DR. RUSTY MCDONALD

**Mr. John Finlay (Oxford, Lib.):** Mr. Speaker, I want to congratulate a resident of Oxford who was honoured with a distinguished award yesterday. My friend, Dr. Rusty McDonald, was inducted into the Canadian Agricultural Hall of Fame for his pioneering work and many years of service in the artificial insemination industry.

Dr. McDonald spearheaded developments in Oxford with the Oxford Holstein breeders AI unit and as general manager of the Western Ontario Breeders Inc. from which he retired in 1988.

Rusty graduated from the University of Guelph and received the Alumnus of Honour Award from that institution in 1979. Since his retirement Dr. McDonald has been executive director of the Canadian Association of Animal Breeders.

His nomination to the Canadian Agricultural Hall of Fame is in recognition of his leadership role in the development of research and policies which have guided the artificial insemination industry.

On behalf of all hon. members I congratulate Dr. McDonald.

* * *

## VETERANS

**Ms. Susan Whelan (Essex—Windsor, Lib.):** Mr. Speaker, it was 50 years ago that Canadian soldiers of the second world war fought to liberate Belgium and bring peace to Europe.

Between October 1 and November 8, 1944, 6,367 Canadians were killed or wounded in the Battle of the Scheldt. From October 24 to November 7 of this year 60 Canadian veterans returned to Belgium and the Netherlands to attend commemorative services as part of the Canada Remembers Program. Over 38 events were held including a ceremony at Bergen–Op–Zoom, a parade at the Hickman Bridge and a church service in Knokke.

One overwhelming theme which rang through at each town and cemetery was the enormous admiration and respect the people of Belgium and the Netherlands have for our Canadian veterans.

1994 also commemorates the 80th anniversary of the beginning of World War I. Remembrance services were held at Vimy and Beaumont–Hamel to honour those who served in the first world war.

I ask all members to join with me and the Secretary of State for Veterans in remembering all Canadians who fought on behalf of our country. We ask you to salute the veterans who participated in the commemorative services for the Battle of the Scheldt.

* * *

• (1405)

[*Translation*]

## SOCIAL HOUSING

**Mr. Jean–Paul Marchand (Québec–Est, BQ):** Mr. Speaker, social housing in this country is at risk. Tenants in social housing are faced with unprecedented threats from the federal government. In Canada, 1,200,000 households urgently need accommodation. However, the Liberal government has made cuts in social housing, leaving the neediest and tenants in sub–standard housing to fend for themselves. This government is spreading confusion and despair.

The Liberal government's failure to act and its withdrawal from social housing, as well as the planned 20 per cent increase in rental fees, will have serious consequences for low–income families. This Liberal government is even worse than the previous government. It is oblivious to poverty.

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[*English*]

## NATIONAL DEFENCE

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, on Thursday of last week Bosanquet township workers were ditching Outer Drive which is their road boundary with Camp Ipperwash, owned by the Department of National Defence. This work was being done to remove illegal access, to prevent suspicious activities at Camp Ipperwash and to remove access for public safety because of possible unexploded ordinances on site.

Shots were fired close to the workers who removed themselves from the area. The OPP and RCMP have no jurisdiction within the camp. The township wants the Minister of National Defence to give this problem his highest priority. Two or three days of military presence will allow both parties to dig up illegal access roads while still maintaining the four legal access points.

Will the minister please give this issue his attention while it is a simple issue and before it escalates?

* * *

## BST

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Mr. Speaker, recently I held my third town hall meeting in my riding. One of the concerns that was discussed at each meeting was the introduction of BST, bovine somatotropin.

I wonder if all members of the House are aware of what BST is and the effect it has on dairy cows. BST is a hormone that is injected into cows at regular intervals to increase their milk production. Normal dairy cows remain in full production for seven to nine years. However, BST injected cows have to be taken out of production after only two years. In addition, these animals are covered with red sores and in the end there is nothing left but skin and bones.

I share the concerns of dairy farmers in my riding who oppose artificial stimulation of cows and the resulting emaciation of these animals that is caused by the repeated injection of BST.

I call on all members of this House to encourage discussion on this issue. Milk is a natural, pure food and I believe that this image should be maintained in Canada.

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## ARMED FORCES

**Mr. Gar Knutson (Elgin—Norfolk, Lib.):** Mr. Speaker, traditionally nations have defined security by the size of their armies. However, the Liberal red book states: "A Liberal government will adopt a broader definition of national and international security, encompassing such goals as sustainable development, global economic prosperity, capable defence and the eradication of poverty and social inequality".

What this resolution is truly about is the need for Canada to look at the evolution of its security needs. Less and less we see the armed forces as a military combatant. More and more the armed forces must be viewed as a useful resource in times of public emergency, disaster and participation in international peacekeeping efforts.

The United Nations Security Council has stated that while the instability of the cold war is over, the non–military sources of instability, economic, social and humanitarian have become greater threats to peace and security.

Our armed forces have shown themselves adept at flexibility in the past. I encourage the minister of defence and this House to reflect on the need to evolve the Canadian forces further.

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## FISHERIES

**Hon. Roger Simmons (Burin—St. George's, Lib.):** Mr. Speaker, Canada and France have just successfully concluded a new fisheries agreement which, as it turns out, is a good deal for Canada, for Newfoundland, particularly for the Burin Peninsula, and for the town of Grand Bank especially. It gives south coast Newfoundland fishermen secure access for at least 10 years to lucrative scallops in French waters and it provides a stable

management regime to prevent the kind of overfishing by the French that we saw in the late 1980s.

It secures more than 100 jobs in the town of Grand Bank alone at a very difficult time, given the disastrous unemployment rate and the loss of the Hibernia work recently. It is not the answer to every woe, but it does put an end to a long festering conflict between the two countries and does mark the beginning of an era of co–operation between France and Canada on fisheries as well as on aquaculture, tourism, environmental protection and transportation.

I congratulate my friends, the secretary of state for fisheries and the minister of fisheries on bringing this about.

* * *

• (1410)

[*Translation*]

## INTERNATIONAL TRADE

**Mr. Bernard St–Laurent (Manicouagan, BQ):** Mr. Speaker, it is becoming more and more obvious that Team Canada's trade mission in Asia is a vast propaganda effort. The people of Quebec and Canada are led to believe that this mission has generated billions of dollars in contracts for Canada and Quebec businesses.

But the reality is altogether different. Many of these contracts were signed ages ago and Team Canada's mission has nothing to do with securing them. One example of this is the agreement in principle between Bombardier and Power Corporation signed last April.

But there is worse. Several pseudo–contracts rest on nothing but agreements in principle and letters of intent. There are actually three times fewer firm contracts than the government claims, with its far–fetched figures.

As Confucius would say: "A rolling bicycle gathers no moss".

* * *

[*English*]

## PENTICTON INDIAN BAND

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I bring to the attention of the House a very serious situation. For the past two weeks the Penticton Indian band has blocked access to the Apex mountain ski resort in my riding. This is just the latest in a series of roadblocks by the band since 1990. Each time it happens a major source of winter employment is further crippled by the flames of conflict that are fanned on both sides.

We need a lasting solution to the underlying historic problems in this situation if we are to prevent a conflict such as we witnessed at Oka. For two weeks I have repeatedly tried to contact the minister of Indian affairs to discuss with him the concerns of my constituents, both native and non–native. To date he has not seen fit to respond, while with each passing day the crisis edges toward irreconcilable conflict. I challenge the minister to be a help rather than a hindrance in this situation. His inaction will only make a resolution more difficult.

I call upon him to help bring the parties together and to be part of the solution rather than a part of the problem.

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## ABORIGINAL VETERANS

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I rise today to pay tribute to aboriginal veterans.

On Friday, November 11, at eleven o'clock in the morning, I attended a Remembrance Day ceremony hosted by the Poundmaker Cree First Nation in honour of all aboriginal veterans. It unveiled a a special memorial cairn and laid wreaths following a Remembrance Day service.

I congratulate the people of Poundmaker for taking this initiative. At the same time I take this opportunity to remind the people of Canada of the great contribution aboriginal people made to Canada's armed forces and their participation in World War I, World War II and the Korean conflict.

I also remind the federal government that aboriginal veterans have grievances that have not yet been acknowledged by the Department of Veterans Affairs.

I hope that before next Remembrance Day these grievances are properly and adequately addressed.

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## PULP AND PAPER AGREEMENT

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, the federal government entered into an administrative agreement on pulp and paper with the province of British Columbia.

Through this agreement, co–signed by the B.C. minister of environment, lands and parks, the federal regulations under the Fisheries Act and the Canadian Environmental Protection Act will be administered in harmony with British Columbia's laws on liquid effluents from pulp and paper mills. It is an important example of this government's commitment to harmonizing its efforts with all provinces and territories to improve Canada's environment.

This is a win, win, win arrangement. Taxpayers win by having a more streamlined government. Management and pulp and paper workers win by having streamlined reporting and other procedures. The environment wins by having policies and procedures that are strong and consistent.

This agreement also meets an important objective of the Canada—British Columbia action plan on improving the efficiency of the federation.

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[*Translation*]

### ST. LAWRENCE RIVER

**Mr. Nick Discepola (Vaudreuil, Lib.):** Mr. Speaker, more than two thirds of the population of Quebec live along the St. Lawrence River and, for this reason alone, more should be known about this river. That is why we have undertaken in the St. Lawrence Action Plan, Vision 2000, to develop information tools on the St. Lawrence River intended for the general public.

• (1415)

I am pleased to announce that three new pages of the St. Lawrence environmental atlas have been published, describing the river's shores, environment and inhabitants in an easy to understand presentation.

These atlas pages deal particularly with the St. Lawrence at the heart of the inhabited area (population and shore occupation), its many and varied habitats (saline and freshwater ecosystems) as well as the shapes and dynamics of the St. Lawrence shores from soft embankments to scarped shorelines. These pages were presented at the 29th congress of the science teachers' association of Quebec, held from October 13 to 15 in Montreal.

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## ORAL QUESTION PERIOD

[*Translation*]

### COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, last week, the Minister of Intergovernmental Affairs received a proposal from the new government of Quebec that improved last July's agreement in principle for maintaining the military college in Saint–Jean.

The minister rejected Quebec's offer of a major financial contribution out of hand, on the pretext that it was provincial interference in federal jurisdiction. The cat is finally out of the bag, since according to the minister, the purpose, as Ottawa now admits, is to demilitarize the college in Saint–Jean.

How can the minister have the nerve to claim that the Quebec government is responsible for closing the military college in Saint–Jean when it was his government, in its first budget, which decided to close it?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, to answer the Leader of the Opposition in the same terms, how can he have the nerve to ask us who is closing the college, when we have had an agreement since mid–July ensuring the survival of the college in Saint–Jean, but which the Government of Quebec does not want to implement? The Government of Quebec refuses to implement an agreement signed by the former government and it is the Government of Quebec which must bear the blame for closing it if it is closed.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, let us return to the facts. The college in Saint–Jean is a military college; the government decided to close the military college and make it into a shell of a college, a sort of language school.

In light of the rejection of Quebec's proposal, I ask the minister if we are to understand that the decision to close the military college in Saint–Jean is not budgetary, as claimed, but rather political; is it not based on the desire to exclude Quebec and its institutions from the training of French speaking officers in the Canadian Forces?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, what the Leader of the Opposition is insinuating is entirely incorrect. Under the agreement signed on July 19, there would still be 100 officer cadets in Saint–Jean, as well as a language course. Yes, military training has been concentrated in Kingston because as the army downsizes, we no longer need three military colleges; one is enough.

The reason the Quebec government wants to keep military courses in Saint–Jean, as Louise Beaudoin indicated, is that it wants to prepare to have its own army for when Quebec is independent.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, this does not show much consideration for all the generations of French–speaking officers who were brilliantly trained in Saint–Jean, had a great military career and are now being told that officers can no longer be trained in Quebec because it is a separatist province.

I ask the minister if, in his letter of November 9 to his Quebec counterpart, he suggested that only the military college in Kingston is able to promote "the values appropriate to the Canadian Armed Forces". How, except for the fact that it is in Quebec, is the military college in Saint–Jean unable to meet the requirements of the Canadian forces?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the college in Saint–Jean has had a great and illustrious career. Even though more than 75 per cent of French speaking officers in the armed forces were trained outside Saint–Jean,

there is no doubt that the college in Saint–Jean played an extremely useful role in training French speaking officers.

But it so happens that the size of the armed forces is being reduced considerably. We only need to educate about 200 cadets a year and we will educate them and give them just as good an education as they would get in Saint–Jean in the military college in Kingston, where Canadian forces personnel will be brought together to be educated.

• (1420)

We no longer need three colleges; we need only one and that is just what we will do in Kingston.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, in a last–ditch effort to save the college in Saint–Jean, the Quebec government offered $8 million a year, enough for this institution to run properly, while meeting the federal government's cost–cutting targets. The Minister of Intergovernmental Affairs rejected this offer from Quebec out of hand.

Can the minister of Canadian intergovernmental affairs tell us if the federal government seriously analyzed the budgetary impact of the Quebec government's offer to spend $8 million a year to run the college in Saint–Jean before it hurriedly rejected it?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the future of the college in Saint–Jean has been studied for months, at least since last year's budget. The former government of Quebec and the federal government arrived at a solution that would allow the college in Saint–Jean to remain open with a military presence. That is the agreement that we came to and that we want to maintain.

It is no longer possible to use the college in Saint–Jean for military training, simply because there are not enough military students in Canada. The college in Kingston will provide a bilingual education to all military students in Canada. We only need one college and the officers to be trained in Kingston will undoubtedly receive an education as good as that previously provided at the college in Saint–Jean.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, by referring to last year's studies, the Minister of Intergovernmental Affairs just confirmed that the government did not even bother to review the budgetary impact of the Quebec government's proposal, and that is serious.

How can this minister state that Quebec's proposal does not take into account the federal government's budget requirements, when transferring military training from Saint–Jean to Kingston involves major additional expenditures for building facilities that already exist at the college in Saint–Jean?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the Government of Canada estimates that it will save about $23 million a year—and not $8 million—by closing the military college in Saint–Jean and that transferring the Saint–Jean students represents only a fraction of the money we will save in the long run.

There is no doubt that, as far as the Canadian Forces and Canadian military training are concerned, concentrating our military training in Kingston is a better solution. We also offered Quebec $25 million over five years so that the college in Saint–Jean could remain open. That is the acceptable solution, one that will allow the college in Saint–Jean to remain open, and that we want the Quebec government to honour because it signed an agreement to that effect.

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[*English*]

## IMMIGRATION AND REFUGEE BOARD

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, the immigration minister released confidential names and testimony to his embattled appointee to the IRB, Michael Schelew. These were names of people who had accused Schelew of intimidation and wrongdoing but gave testimony under the promise of confidentiality.

My office consulted with the privacy commission and was told that the minister's actions are grounds for a complaint under the Privacy Act. The minister released to someone accused of intimidation the names of his accusers before any discovery was made.

How can the minister of immigration possibly justify this gross contravention of the Privacy Act?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, throughout the process I took great care in terms of not releasing or disclosing those names. Once the chair made her report available to me, my counsel wrote a letter to the deputy chair asking for his response to that report and the appropriateness of the recommendation.

It was then on the advice of the justice department that those names be disclosed to the deputy chair's counsel so that individual may respond in kind.

• (1425)

At the same time the IRB was advised of that and subsequently advised those individuals. It was on the advice of the justice department. The justice lawyer communicated those names to the counsel for the deputy chair. Our officials have also been in touch with the same privacy commissioner.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I find it remarkable that an investigation could go on in this fashion and yet there be influence against a witness who may pose as a potential witness in a future investigation or a court hearing.

This weekend Schelew called two of the people and actually went to the home of another person who had filed complaints against them, like an accused calling on the victims for a little chat before a trial.

The minister has repeatedly said that the IRB is at arm's length and that he does not have any influence over it. Will the minister admit that he has exercised influence by improperly releasing confidential information in an attempt to bolster the defence of appointee Michael Schelew?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I reject that completely out of hand. I repeat for the hon. member that the names were disclosed to the counsel of Mr. Schelew on the advice of the justice department in response to my request for the deputy chair to respond to the report of the chair and the appropriateness of the recommendation and that the IRB members in question were advised immediately by the IRB.

Second, with respect to the report made by the chair to me, I take that report as well as the response by the deputy chair very seriously. I also say to the member that it is very extensive, particularly the report. My office received the response late Thursday. I had a chance to look at it for the very first time only on late Friday evening. We are taking the matter very seriously and I would suspect that the member would not want me to speculate until a decision has been rendered which will be done in the right way.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, this minister clearly thinks he is above the law. The minister has not violated—

**Some hon. members:** Oh, oh.

**The Speaker:** I would ask the hon. member to put his question, please.

**Mr. Hanger:** Mr. Speaker, the minister has not only violated the Privacy Act but also basic justice. We are talking about an investigation here and witnesses.

As a former police officer if I were to release information to an accused in a crime of those people who were accusing me or an individual before any charges were laid that would cost me my job and probably there would be criminal charges against me.

Recently in Ontario two ministers—

**The Speaker:** I would ask the hon. member to put his question now, please.

**Mr. Hanger:** Mr. Speaker, will this minister admit that he has made a gross and inexcusable violation similar to those ministers in Ontario who had to resign and consider doing the same?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I ask the member to put the entire situation in proper context.

I first received five names from a media outlet. Upon receiving those names I wrote the chair of the board to have her look into the allegations made by these five individuals. In my letter to her I explicitly left out the names. I phoned her and verbalized the names. She did the same in her report.

Subsequent to that I asked through my counsel at justice that the deputy chair be seized with the chair's report and respond to the appropriateness of the recommendation. Following that the counsel to the deputy chair asked the counsel at the Department of Justice for the names in order that that individual may defend himself.

• (1430)

Only after advice from the Department of Justice was the advice that we had to give those names to the lawyer of the deputy chair. Nothing has been compromised. No one is above the law. This minister and this government have followed the process flawlessly.

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[*Translation*]

## INTERNATIONAL TRADE

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

Team Canada's trip to China gradually became a political show where investments totalling billions of dollars are announced when, in fact, these figures are arrived at by adding contracts signed a long time ago with mere letters of intent regarding eventual contracts, as in the case of the CANDU reactors. In fact, the communique released in Beijing by the Canadian government states that the federal government is not responsible for the accuracy of information relating to investments or to the value of contracts.

Will the Minister of Foreign Affairs admit that the Team Canada mission is essentially a political show, since most of the contracts announced are either only letters of intent or were known long before that trip, and that the government itself refuses to endorse the figures released?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, our political opponents are obviously very bitter following the extraordinary success of the mission led by the Prime Minister.

**Some hon. members:** Hear, hear.

**Mr. Ouellet:** I am aware of the bitter reaction of minister Landry and I am disappointed to see the opposition member adopt the same attitude. The fact is that Team Canada, which is led by the Prime Minister and includes nine premiers as well as some 300 business people, made an extremely successful trip to China which is unprecedented. Chancellor Kohl made a visit which resulted in contracts totalling some four billion dollars for Germany; a trip by the US trade representative, Mr. Brown, resulted in business deals of some $5.2 billion. Yet, the total figure for these two missions is not even as high as the amount of the contracts obtained by the group led by the Canadian Prime Minister.

In other words, this is an extremely successful trip and, instead of minimizing its results, our opponents should be pleased because this will mean jobs for Canada and particularly for several Quebec ridings.

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, if the minister stands by what he just said, how can he explain the fact that the $800–million contract for Dominion Bridge, which was hailed as one of the major achievements of that mission, was not signed during Team Canada's trip to China but last June?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the chairman of that company thanked the Prime Minister for putting the final touch to a contract which was taking time to finalize.

Our friends in opposition should realize that, ultimately, several contracts being negotiated can only be finalized and approved through a final political decision. Meetings between high–level political representatives help finalize contracts for which negotiations often drag on for too long.

I can assure the hon. member that, with this visit, the Prime Minister was able to help many Canadian businesspeople, including some from Quebec who had the courtesy of joining Team Canada to China. This initiative helped finalize and sign contracts which will translate into thousands of Canadian jobs in the months to come.

* * *

• (1435)

[*English*]

## IMMIGRATION AND REFUGEE BOARD

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

The minister has shown a fondness in the past for stating with much bravado that he is in charge. He is fond of telling us that the buck stops with him.

Now we learn that his office has broken the confidence of members of the Immigration and Refugee board and filed complaints against suspended deputy chief Michael Schelew by releasing their names to Mr. Schelew. This is a clear violation of section 29(a) of the Privacy Act which states that confidential information may not be released for any purpose other than that for which it was collected.

The fact remains that provisions of the Privacy Act were broken. Did the justice department advise the minister to break this act? If not, will the minister tell the House specifically what the advice was that he was given by the justice department?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I responded to his colleague in the first round of questioning.

I repeat once again that there was caution throughout the process of not releasing or disclosing any such names to the point where I chose not to write those names to the chair in asking quite appropriately for her to review the allegations that were made by these individuals. When she wrote me the letter attaching the report, she made reference to the fact that if those names were to be disclosed to me that I would make those names available.

When the deputy chair was asked to respond to the report and the appropriateness of the recommendation, it was at that point that advice came from the Department of Justice that in preparation for that response the names had to be given to the counsel to the deputy chair so that he could fairly and appropriately respond. At the very same time when that advice came in and was followed those members of the IRB were advised that this action was to take place.

The government has followed the process flawlessly. There has been no attempt to hide or hijack anything. In fact it is clear that the minister in asking the chair to look into it does not want anything hidden.

We followed the process appropriately. We will be rendering a decision based on the recommendation of the chair very soon. To speculate needlessly on other elements would not help the judicial process that we are following.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, my supplemental is also for the Minister of Citizenship and Immigration.

When the Al Mashat affair took place three years ago, it was clearly stated by the current Minister of Human Resources Development in the House on June 12, 1991 that a government minister is required to protect the anonymity of individuals and to decline to publicly identify them.

What is offensive is that members of the IRB have been brought to light in a way that they should not have been. The Minister of Citizenship and Immigration has not only broken section 29(a)—

**The Speaker:** My colleagues, I would ask if you both could make the questions and answers a little shorter. I ask the hon. member to please put his question forthwith.

**Mr. Mayfield:** Mr. Speaker, will the minister now concede that he is responsible for this gross injustice and for further compromising the integrity of his department? Will he take charge to remedy the serious damage that he has caused within his department?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I repeat once again that no one is undermining any process. In fact I was given the names by a media outlet. I have not made any names public. It was on the advice of the Department of Justice counsel that for the deputy chair to appropriately and fairly respond to those allegations contained in the report that his counsel disclose the names of those individuals who made those allegations.

Therefore it was the counsel in the Department of Justice in connection with the counsel to the deputy chair that those names were disclosed. The process has been followed.

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• (1440)

[*Translation*]

## HUMAN RIGHTS

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, my question is directed to the Minister of Foreign Affairs.

During his trip to China, the Prime Minister avoided any public reference to the question of human rights violations in that country. He said he raised the matter privately. However, the Chinese Prime Minister said that the Prime Minister of Canada made no reference to human rights.

How does the Minister of Foreign Affairs account for this obvious contradiction between what was said by the Prime Minister of Canada and by his Chinese counterpart?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I think that everyone who attended these discussions in China can testify that the Prime Minister raised the matter with his counterpart. He took a very practical approach, considering the situation in that country.

We were very pleased that the Chinese authorities accepted a number of suggestions by the Prime Minister of Canada for exchanges of judges, lawyers and judicial representatives, to give the Chinese authorities a chance to become better acquainted with the Canadian system, use it as an example and, in the process, advance the cause of human rights in their country, over time.

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, would the Minister of Foreign Affairs agree that this excuse of allegedly raising the matter of human rights in private will cause Canada to lose all international credibility in this respect?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, on the contrary, I think that the way Canada approached the matter could well be used as an example by a number of other countries who have to deal with China, especially since the results are very encouraging. In this respect, I believe the dialogue that was engaged is a respectful dialogue, but it is nevertheless a dialogue that may lead to some major results.

* * *

[*English*]

## IMMIGRATION AND REFUGEE BOARD

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, my question is for the Prime Minister.

Considering the problems the Minister of Canadian Heritage has had recently and considering these new problems of the Minister of Citizenship and Immigration, it would appear the Prime Minister needs to assure Canadians that these serious allegations against his ministers are unfounded. The Prime Minister or the ministers saying that they did nothing wrong is not reassuring.

Will the Prime Minister launch a public inquiry to investigate what appears to be a breach of the insider information section of the conflict of interest code by the Minister of Citizenship and Immigration?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, the Minister of Citizenship and Immigration has given a full and complete answer. It is very clear the hon. member has forgotten one of the basic principles of Canadian and British justice, that someone who has been accused has a right to know his accusers and what they say in order to make an answer to those charges.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, it appears this minister has contravened the Privacy Act and he has also contravened the conflict of interest code. He claims now that he was advised to break the law by the justice department. We need some clarification. Canadians need clarification.

Will the Prime Minister direct both the privacy commissioner and the ethics counsellor to conduct independent, full investigations into the action of this minister and make those findings public immediately?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, with all due respect to the hon. member there is nothing in the allegations or in his question that justifies the course of

action he mentions. The Minister of Citizenship and Immigration has given a complete explanation for his actions and they show there has been no illegality, contrary to the insinuation of the hon. member.

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[*Translation*]

## MIL DAVIE SHIPYARD

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, for several months now, the MIL Davie shipyard in Lauzon has been waiting for the federal government to make a decision on building a new ferry to serve the Magdalen Islands.

• (1445)

While more and more workers are being laid off, MIL Davie is waiting to be awarded this vital contract so it can ensure its short–term survival and undertake its conversion program.

My question is for the Minister of Industry, who is responsible for this matter. Does the minister confirm that his government is about to buy a used ferry rather than have a new one built in Lauzon, thus making it impossible for the MIL Davie shipyard to restructure and ensure its survival?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, the assumption that the only basis of MIL Davie's survival would be the acquisition of a ferry is a rather poorly founded assumption.

If the member were to review the proposed business plan, which I must say has yet to be approved by the principal shareholder of MIL Davie, the Government of Quebec, that business plan has yet to be approved. Furthermore, the business plan is based on many more components than the acquisition of a single vessel.

[*Translation*]

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, does the government realize that by buying a used ferry, it will deliberately bring about the final closing of MIL Davie, thus eliminating a competitor of Saint John Shipbuilding in New Brunswick, the home province of the Minister of Transport?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, I am reminded again that sound and fury often signify nothing. I think that is within the rules.

**Some hon. members:** Oh, oh.

**The Speaker:** It reminds me of the Wallendas sometimes.

**Mr. Manley:** Mr. Speaker, the Minister of Transport has stated repeatedly in the House that no decision has been taken on any possible replacement for the *Lucy Maud Montgomery*. A number of alternatives are being considered. Taken into account in making that decision will be the needs and the interests of the residents of Îles–de–la–Madeleine who, after all, are ultimately the ones who will be using the service.

With respect to MIL Davie, of course we are very concerned with the future of that shipyard as should be the shareholder, the Government of Quebec.

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## JUSTICE

**Mrs. Sue Barnes (London West, Lib.):** Mr. Speaker, my question is for the Minister of Justice.

The Department of Justice released a discussion paper on the weekend raising the possibility that cultural defences might be permitted to criminal charges. Will the minister clarify just what this might mean if introduced?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, may I begin by emphasizing what this discussion paper was about. We are engaged in a process for the first time in 100 years of reviewing the general part of the Criminal Code to determine whether it should be changed or modernized. In the course of that, this discussion paper raises questions, not public policy but just questions, that are worthy of examination. It does not reflect government policy.

I had hoped that the paper would be drafted to reflect my own perspective. My own personal view is that I am very much opposed to any general defence based on culture. However, it is important, if we are going to have a discussion, that we at least identify a list of questions that have been raised by law reform commissions and by legal journals in the past.

I am especially troubled at the suggestion on the weekend that just raising these questions might create the spectre of justification for female genital mutilation. We have been at pains over the past six months to emphasize that this practice is criminal, will be investigated and will be prosecuted to the full extent of the law where it is detected.

I hope what we have launched on the weekend is an open discussion about fundamental principles of criminal justice. In closing, I say that every reform we have put forward in the House to the criminal law has been to make people more accountable not less accountable.

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, over the weekend the Minister of Justice released a discussion paper that outlined possible amendments to the Criminal Code, one being a defence based on cultural or

religious practices. It would mean that if it was the practice of a religious group to use prohibited drugs, weapons or ritual abuse it could be exempted from the Criminal Code. The minister is definitely flirting with these ideas, or else they would not be contained in his paper.

• (1450)

Is the minister prepared to implement such amendments to the Criminal Code that possibly could put Canadians at risk and bring to even further disrepute the criminal justice system?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as I mentioned in response to the question from my colleague, this discussion paper does not reflect government policy. It is intended only to stimulate a consultation about the fundamental principles of the criminal law.

We hope through this process of reform to put in place a general part of the code that will last another 100 years. However we cannot do that without examining the issues that arise. We have listed this among others. However I want to assure the hon. member that I oppose a general defence based on culture and I will never introduce it so long as I am minister.

**Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.):** Mr. Speaker, the minister is consulting and delaying. He obviously does not know what to do.

His trial balloon on criminal intoxication would mean that intoxication could be used as a defence because there would be a separate punishment for voluntary intoxication, with consequences of half or less the maximum of the main offence; in other words a drunkenness discount.

Is the minister suggesting that even for something as serious as murder, if someone is intoxicated they could receive only half or less of the regular sentence? Or, will he toughen the Criminal Code rather than opening more escape hatches?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I know of the hon. member's interest in this subject. We have discussed it. He is as concerned as I am that there be accountability in the criminal law.

I assure the hon. member that the options we are looking at are intended to achieve just that. I am concerned about the way the recent decisions will be interpreted and applied.

When I spoke on Saturday to the criminal lawyers I emphasized that a discount for drunkenness is not acceptable as a matter of principle. We have to find a way to change the law that is constitutional and that gets the job done. That is what we are doing through this discussion process.

[*Translation*]

## POST–SECONDARY EDUCATION

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development. Among the series of cuts planned as part of the social programs reform, Ottawa wants to discontinue transfers to the provinces for post–secondary education. The rector of McGill recently announced that, as a result of this reform, the university's tuition fees would climb to $8,000 a year.

Does the minister agree that his proposal, which will increase student debt substantially, is unacceptable, and will he agree, in the interests of common sense, to go back to the drawing board?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, if I may be allowed to make two corrections to the hon. member's assertions to begin with.

First, the green paper is only a series of options for discussion. There is no government policy at this point in time.

Second, the assertion that the government is withdrawing funding from higher education is totally false. At the present time the federal government provides over 50 per cent of the funding of higher education. We intend to maintain our commitment. What we have pointed out is that the provinces will receive the same amount, $6.2 billion, except more will come from tax revenues.

If you can get the provinces to start living up to their responsibilities to ensure that the transfer of money totally goes to higher education, then there would be no problem with tuitions or funding.

In fact what we are proposing is to find ways of adding more money, upward of $12 billion over the next 10 years, to higher education. That is the truth. Not a reduction but an addition.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, does the minister realize that his stubbornness is confirmation that the Liberals are in the process of denying a university education to thousands of young people?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I am just trying to explain to the hon. member that the proposal in the green paper is designed to provide substantial new funding for higher education. In this way we can broaden accessibility for another quarter of a million people to go to college and university. That is the fact.

That is the truth, not the silly assertion made by the hon. member which is simply designed—

• (1455)

**The Speaker:** The hon. member for Beaver River.

* * *

## IMMIGRATION AND REFUGEE BOARD

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, as the justice minister knows, names are never to be released until the deposition and discovery stages of an investigation are complete.

Does the justice minister not agree that the names of accusers should never be released until the accused has actually been charged? This has not occurred in the Schelew case. Why?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the Department of Justice was called on to give legal advice to my colleague, the Minister of Citizenship and Immigration. I can tell the House that the advice we gave was entirely in accordance with the law. Beyond that we are satisfied that the minister acted in accordance with the advice we gave.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, intimidation knows no bounds.

I ask the justice minister again, exactly what legal advice did his department give to the minister of immigration, and why did they sanction this contravention of section 29 of the Privacy Act?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, in the first instance I am not prepared to accept the premise that there was a violation of the statute. Second, it is not the practice of the Department of Justice to disclose publicly the advice that it gives to client departments.

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## AGRICULTURE

**Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.):** Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food.

Ontario pork producers recently stated they could support a freer trade policy provided that Washington's countervailing duty on live Canadian hogs is dropped and a tough and effective mechanism is put in place to halt incoming U.S. hogs possibly carrying the pseudorabies virus.

Will the Minister of Agriculture and Agri-Food inform the House what measures his department is taking to address the concerns of Ontario pork producers?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the hon. member has raised two issues in her question, one having to do with the U.S. countervailing duty on live Canadian hogs exported to the United States, and the other relating to the risk of pseudorabies in U.S. hogs imported into Canada.

It is important to note that one is a very serious trade issue and the other is a very serious health of animals issue. Both are important but they should not be linked together.

On the countervailing duty issue the government has worked very closely with the Canada Pork Council and Canada Pork International on a variety of market access and trade issues. We will continue to do so, especially with respect to our fight against that U.S. countervailing duty on Canadian live hogs.

The pseudorabies issue, which I emphasize is a separate issue, is a complex health of animals concern. Evaluation of the information on the potential consequences of imports from the United States is what our department is engaged in at the present time.

We would consider permitting imports only when we can be totally satisfied that our stringent health and safety standards will not in any way be compromised.

* * *

[*Translation*]

## PATENT DRUGS

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, my question is for the Minister of Health. The minister has not yet made her intentions known regarding the Patent Act, following the statements made by some members of her caucus who want to change the regulations pertaining to Bill C-91 at the expense of brand name pharmaceutical companies.

Can the minister tell us whether she is in favour of the existing legislation remaining unchanged or whether she advocates a change in regulations along the lines of what her Liberal colleagues are calling for?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, the hon. member will be aware that the legislation contains a parliamentary review provision which will come into effect at a stated period of time after the proclamation of the legislation. Undoubtedly the appropriate parliamentary committee will wish to review it at that time.

• (1500)

We have also made it clear that in the process of reviewing the impact of the legislation, as we undertook to do, we are looking at all aspects of its impact. In the context of international commitments we will take the action we think is in the best interest of all Canadians.

### THE ECONOMY

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, our federal debt is $535 billion and growing. Our total debt, federal and provincial, now exceeds 90 per cent of our gross domestic product and our foreign debt is 44 per cent of our gross domestic product. That is worse than any other leading industrialized country.

Yet we find that the supplementary estimates will show that we are going to spend $527 million to help other countries reduce their debts. My question to the Minister of Finance is: Can he please justify this expenditure to Canadians when he is telling them they must accept cuts or tax increases because we are so heavily in debt?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, as the hon. member undoubtedly knows, Canada benefits a great deal in terms of our own commercial links from the fact that we do provide aid. At the same time the member undoubtedly knows that the provision of aid certainly to the poorest countries, the poorest of the poor, is a matter of international responsibility. Canada is a member of that club.

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### INDIAN AFFAIRS

**Hon. Audrey McLaughlin (Yukon, NDP):** Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. As the minister will know, there are 21 DEW line sites that have toxic and non-toxic waste that need to be cleaned up.

The federal government—I would like to know the minister's position on this—has said that it will bury the debris, which is in contravention of the 1984 Inuvialuit land claims agreement and other land claims agreements with the Inuit. Would the minister please tell the House what his position is on this and whether he supports the appeal of this arbitration decision which has ordered the government to respect these agreements?

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, there are many troubling aspects about the leaving of armed forces bases in northern Canada, one of which the hon. member has outlined.

I certainly am troubled by the response that I am getting in terms of it being cheaper to bury this kind of waste in this one instance rather than transport it. I have asked my officials to reconsider the option.

More important, we will be entering into discussions with the United States, with my American counterpart, about DEW Line cleanups, the compensation arising from DEW Line cleanup and any compensation that should be paid. We will keep the House informed as these negotiations unfold.

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### PRESENCE IN GALLERY

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of a parliamentary delegation from the Republic of Hungary. Isten hozott.

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## ROUTINE PROCEEDINGS

[*English*]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 27 petitions.

* * *

● (1505 )

### COMMITTEES OF THE HOUSE

CITIZENSHIP AND IMMIGRATION

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Citizenship and Immigration in relation to order in council appointments.

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### PETITIONS

HUMAN RIGHTS

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I rise to present a petition on behalf of a number of residents of the Toronto and Mississauga area.

The petitioners call on the members of Parliament to request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include the prohibited grounds of discrimination the undefined phrase sexual orientation.

LIGHT STATIONS

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, I rise to present a petition signed by 101 individuals, the majority from my riding of North Island—Powell River, calling for a public inquiry into the need for staffed light stations on the west coast.

Safety will be jeopardized by the destaffing of these stations.

GREECE

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Mr. Speaker, I have the pleasure of presenting a petition signed by 1,279 Canadians of Greek ancestry who reside in the greater Vancouver region. They congratulate the Canadian government for its principled stand under international law of continuing full respect to the integrity of Greek territorial frontiers, including Macedonia, as established under the treaties ending the two Balkan wars and under the World War I peace treaties.

YOUTH

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Mr. Speaker, the petitioners want to remind parliamentarians that our young people are our greatest asset and that they face many challenges such as breakdown of the traditional family, additional violence in society. They want parliamentarians to ensure that these young people, young men and women, get the education, training and jobs they require to integrate fully into society in order to create a better country.

YOUNG OFFENDERS

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, I rise with several sets of petitions.

The first set has about 50 names petitioning the government to recognize and address the concerns related to the Young Offenders Act and amend the Criminal Code of Canada.

WITNESS PROTECTION

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, I have also a set of petitions relating to the statutory foundation for witness relocation program. There are about 50 signatures.

STEEL INDUSTRY

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, I also have the honour to present petitions related to the steel accord. Whereas the Canadian steel industry directly provides over 35,000 jobs in the production of primary steel and iron, and in steel pipe and tube, the petition urges the government to support the efforts of Canada's steel industry and specifically to work toward a Canada–U.S. sectoral steel accord which would ensure fair rules and procedure in steel trade. This petition contains several hundred names.

KILLER CARDS

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, the remaining petitions relate to killer cards, calling on the government to ban killer cards and make sure they do not come into the country any longer.

This petition contains several hundred names.

ASSISTED SUICIDE

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I have three duly executed and signed petitions representing the views of some of my constituents that I would like to present to the House.

The first calls on the government to enforce the existing provisions of the Criminal Code prohibiting assisted suicide. It also asks that no changes be made to those provisions that would sanction or allow assisted suicide.

HUMAN RIGHTS

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, the second petition calls on the government to maintain the status quo with regard to same sex relationships.

ABORTION

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, the third petition calls on the government to act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human brings to unborn human beings.

On behalf of these concerned constituents I am pleased to table these petitions in the House.

YOUNG OFFENDERS

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, I have a petition bearing about 30 signatures. These people believe that crimes committed against society by young offenders are on a serious rise and young offenders go virtually unpunished due to protection under the Young Offenders Act.

• (1510)

These people believe that we should revise our laws concerning young offenders by empowering the courts to prosecute and punish the young law breakers who are terrorizing our society by releasing their names and lowering the age limit to allow prosecution to meet the severity of the crime.

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## QUESTIONS ON THE ORDER PAPER

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 57 will be answered today.

[*Text*]

Question No. 57—**Mr. Strahl:**

During the last fiscal year, what expenses relating to projects over $1,000 were unaccounted for by the Canadian International Development Agency; what is the list of projects to which the unaccounted expenses pertained; and what is the explanation for each unaccounted expense?

**Hon. André Ouellet (Minister of Foreign Affairs):** No projects are left unaccounted for by CIDA.

CIDA's country to country projects are all managed within policies and procedures that ensure CIDA obtains a full accounting for funds paid to executing agencies during the life of projects and at the conclusion of projects.

All CIDA's country to country projects are over $1,000 and disbursements relating to these projects are made according to the terms and conditions of a contract or contribution agreement signed between CIDA and an executing agent. The terms and conditions also define how and when the executing agent will account for the expenditures pertaining to the project.

Subsequently each invoice, claim or financial report received is verified against the contract or the contribution to ensure it is in compliance with the terms and conditions and is then certified by the manager responsible for the project. In some instances the agency also hires public accounting firms to carry out audits of executing agents to ensure that expenditures submitted for payment are in compliance with the terms and conditions of the contract or contribution agreement and are properly accounted for.

[*English*]

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## STARRED QUESTIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, would you be so kind as to call Starred Question No. 78.

I would ask that the answer to this question be printed in *Hansard* as if read due to the length of the answer.

[*Text*]

*Question No. 78—**Mr. Lalonde:***

With respect to the new projects announced for the current year under the strategic initiatives program, (*a*) which programs have experienced cuts as a result of the reallocation of funds within the 1994 budget, (*b*) how much was cut from each program and (*c*) what is the breakdown of the cuts by province and territory?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** (a) the employment and insurance program, (b) $90 million, and (c) the budget impact by province of this redirection cannot be provided as the funds were not directly repatriated from regional allocations.

It is important to note the funds that will be spent in support of these strategic initiatives will, to a large extent, offset the impact on provinces that may have resulted in the creation of this special budget.

In the 1994 federal budget $800 million was provided over 1995–96 and 1996–97 so that innovative approaches to training and getting people back to work could be tried in co–operation with the provinces and territories. This government is committed to improving the job opportunities for Canadians and has, in partnership with the provinces and territories, developed strategic initiatives projects which are ready for implementation this fiscal year. This is why funds from existing budgets have been redirected to support the advancement of these important projects.

[*English*]

**Mr. Milliken:** I ask that the remaining questions be allowed to stand.

**The Deputy Speaker:** Shall the remaining questions stand?

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*Translation*]

## STANDING COMMITTEE ON INDUSTRY

The House resumed consideration of the motion.

**The Deputy Speaker:** The hon. member for Richmond—Wolfe has about five minutes left to conclude his remarks.

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Including the minutes taken up by the hon. member for Broadview—Greenwood, Mr. Speaker?

**The Deputy Speaker:** We will give Mr. Leroux one minute more, naturally.

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, as we resume this debate, I would like to recap briefly what was said in the first part, which is extremely important and deals with the impact of regional development, and federal involvement in regional development in particular. Let me remind this House, first of all, that, between 1974 and 1984, both sets of economic and regional development agreements commonly called ERDAs have had an extremely negative impact on peripheral regions, that is to say regions outside of major centers that monopolized 46 per cent of the total budget in terms of investments.

I would like to push on a little further with this demonstration, my ultimate goal being to bring the federal government to understand that it must withdraw completely from regional development in Quebec and recognize the province as prime mover with respect to development. To continue with my demonstration, by integrating the regional offices known as FORD–Q with the Department of Industry and turning them into business service centres, the Liberal government is creating a single window for information on federal, provincial and municipal programs and services in Quebec, the sole purpose of

which, in our view, is to emphasize Canadian regional development policies with the catastrophic results that we know, results noted in several studies.

So, as a member of the industry committee, it is my duty to denounce this contempt displayed by the federal government for Quebec's regional development policies. Quebec, the State of Quebec, has had a regional development process for over 40 years, across that is far more effective and better adapted to the needs of fringe regions.

I repeat that today, we have a series of general agreements involving 95 regional municipalities that have done their own strategic development studies in terms of the development of SMEs and industry. These general agreements reflect how important it is to be close to the fringe areas, as opposed to following federal imperatives based on a mythical vision of what industrial development ought to be in Canada.

Speaking as a member of Industry Committee, I support the dissenting opinion of my Bloc colleagues, which includes recommendation No. 20. I support the dissenting opinion, including recommendation No. 20 of this committee which is intended to enable the federal government to interfere with the definition of the objectives and portfolio structure of the assets of the QFL Solidarity Fund. It is entirely unacceptable that the committee should recommend that the federal government interfere with the definition of the objectives and orientation of labour–sponsored venture capital corporations established under provincial legislation.

More about duplication and overlap. The new mission of the Federal Office of Regional Development, which has now been merged with the Department of Industry, is to all intents and purposes that of a service centre for business.

• (1515)

However, this is what the Department of Industry has to say about the purpose of the FORD: Taking into account its limited financial resources, it plays a major role by offering SMEs services including information, analyses and strategic assistance. In Quebec we already have the wherewithal to provide such services to SMEs, including exporter SMEs, through the General Secretariat for Foreign Affairs of Quebec, which provides entrepreneurs with information and a very detailed guide that has an excellent reputation among entrepreneurs active on international markets.

In fact, legislation passed in Quebec in 1979, the Act respecting land use planning and development, which created regional municipalities, the so–called MRCs, provided the structure for such services. With a council in each of the 95 MRCs, economic development corporations and industrial commissioners, it was possible to start a development process involving interaction between the SMEs and all the various regions and microregions.

According to a study by Marc–Urbain Proulx, an expert on economic development in Quebec, in a market economy whose many weaknesses are compensated for by more concerted action by authorities at all three levels of government, development plans for MRCs in Quebec are mainly aimed at integrating a variety of activities.

What causes duplication, overlap and poor management of funds is the failure to recognize existing structures. In this context, a parallel network of 13 regional offices, or FORD–Qs, in Quebec is unjustified, constitutes duplication of services and is basically squandering public funds. This is an example, among existing direct assistance to small business and direct funding support to small and medium–sized businesses. Liberal members from Quebec should advise their colleagues of the existence of such a major development and financial assistance structure for small and medium–sized businesses at the regional level, and I am coming to this.

Quebec has its own regional development secretariat under the responsibility of a minister of state for regional development. This House must realize that there is no reason for federal involvement in regional development. Federal involvement complicates greatly government intervention to help small and medium–sized businesses. Regional development boards have been in existence for over 30 years and, with tools such as regional initiatives funds and business assistance funds—our suggestion is not off the wall; it is the same kind of instrument—these boards provide direct assistance to small business.

The development secretariats I referred to earlier can also assist small business with tools such as local initiatives funds and decentralized job creation funds. In the field, other stakeholders actively support small and medium–sized businesses. Take the Solidarity Fund, the industrial development corporation and the regional investment corporation for example. Note the smooth industrial development in the Sherbrooke area, where small and medium–sized businesses from nine municipalities have trade relations and agreements with the United States, particularly the northeastern states, including the city of Hartford, have access to markets and prosper.

To conclude, out of solidarity with the Quebec government and state and in support of the initiative of the Quebec minister of state for regional development, the Bloc Quebecois asks that the Liberal government withdraw from regional development and transfer to Quebec the federal regional development envelope.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, again, they would have us believe that the federal government is doing absolutely nothing in the regions. When I hear the opposition's demagogy, I find that it hurts our ears to hear the member opposite say that the Federal Office of Regional Development has done nothing, the Federal Business Development Bank has done nothing, the Prime Minister of Canada, who is now in China, has done

nothing for regional economic development and especially to advance social and economic development in Quebec.

• (1520)

As a member from the rural hinterland of Quebec, I can tell you, Mr. Speaker, and I find it regrettable that the opposition fails to mention it in their propaganda, that there is a serious lack of co–ordination and co–operation among various provincial bodies involved in small–business development.

People in Quebec, and especially in the regions, have denounced the Caisse populaire Desjardins, which has over $500 million, for not lending enough to small–business people in the regions. One would say that the opposition is taking an urban point of view which does not reflect the socio–economic reality of the regions. For example, they do not realize the major investments we have made in important enterprises in the regions, including in forestry. Take the Eastern Quebec Development Plan, for example.

Six thousand small businesses and workers commended the Government of Canada for what it is doing, its serious approach and business plan, and that is no joke. If there is a lesson to be learned from this, it is that the Government of Canada is welcome because it is a good manager. Unfortunately, all we hear from the opposition is that there are too many players and unfortunately the provincial level is not well co–ordinated.

Our area does not even have someone to go to foreign countries to promote the regions, because Quebec is doing a bad job and they should admit it.

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, it is obvious that the hon. member for Bonaventure—Îles–de–la–Madeleine does not know his region at all, since what he is demanding is, in fact, a settlement. I urge him to tell me if the Eastern Plan has indeed been renewed. They have been fussing with this plan for several months. Of course, the government did not see fit to respond to the first invitation last summer. It then kept putting off the meeting with Eastern producers. The last I heard, nothing has been settled regarding the Eastern Plan. The agreement has not even been renewed at this time.

In any case, for a member coming from Quebec and very familiar with regional tools like regional development councils, industrial associations, the general secretariat of foreign affairs, which make loans to businesses and work on domestic and international market development and prospecting with them—he knows full well that there is increasing co–operation in integrating structures, precisely because they decided that there were too many structures and players.

The underlying reason why the regions decided to analyze their economic development strengths and weaknesses was to come up with strategic development plans to be shared through an integrated forum called the regional economic development council. The purpose of this was to reduce the number of steps required, to make business and socio–economic development more efficient, to avoid overlap—within their own territory, to say nothing of federal involvement—to rationalize their own actions and structures.

The hon. member should know that these integration efforts will soon be stepped up in his own region. We do not need to create anew, as with the 13 FORD–Q information offices. Quebec already has integrated offices providing information, including export information, to small businesses and all stakeholders.

The Minister of Regional Development in Hull specifically said that this program would be helpful to small exporters. Quebec already has a recognized and appreciated organization which supports small exporters and gives them a complete kit on how to develop their own markets and foreign business plans.

That is duplication. People in Quebec, to convey to the federal government that if its goal is indeed to maximize the funds invested and provide real and effective support to small businesses, are sending the following message.

• (1525)

Why does the government not admit that the experience of the past 40 years in regional development—again, the development of all regions and not major centres—Forty–seven per cent of the amounts under recent agreements were invested in central regions. Why not admit that Quebec is the primary force in regional development and that its experience—and that of all its people—is concentrated at the regional development level, as the hon. member for Bonaventure—Îles–de–la–Madeleine should know? Who are the people working together at the regional development level? The same people he mentioned earlier: regional county municipality officials, mayors, socio–economic businesses, entrepreneurs, unions. This full integration of economic development players only makes them more efficient while reducing the number of action structures.

What is being proposed here? To create other action structures without integrating into existing structures. We cannot accept in good faith—

[*English*]

**Mr. Manley:** Mr. Speaker, I rise on a point of order. I know it was previously raised that in his first remarks the member was not on topic. He is likewise off topic now. If there is any time for further—

**The Deputy Speaker:** I think the minister will be well aware that was not a point of order.

[*Translation*]

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, I explain these things because they are reluctant to see them. They are upset by my comments. Regional development is a responsibility of the Minister of Industry and, by order in council, the minister himself is responsible for a region. The Minister of Human Resources Development is responsible for the West. The Minister of Supply and Services is responsible for the East, while the Minister of Finance is responsible for Quebec.

If this is not about regional development, what is it? This is about helping small and medium–sized businesses; it is about development and access to credit for those businesses. These aspects are all relevant. The government simply does not want to face the issue squarely and with a structured approach.

It is because it does not look at the basic question in a structured fashion that duplication and all these structures are maintained, with the result that the ultimate objective—

[*English*]

**Mr. McClelland:** Mr. Speaker, I rise on a point of order. This is question and comment period and there are others who would like to get a question in. Perhaps he could be—

**An hon. member:** And it is irrelevant.

**Mr. McClelland:** And it is irrelevant.

**The Deputy Speaker:** The member will also know that was not a point of order. There remain two minutes in the period for questions and comments. Perhaps there will be unanimous consent to extend the period. In the meantime, the hon. member has a minute and a half left.

[*Translation*]

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, clearly this government has to understand that, given the exceptional and enormous work undertaken by Quebec regions to promote their economic development through framework agreements, through RCM's and through regional development councils, it is absolutely essential that Quebec be the only one responsible for its development. The federal government must negotiate with Quebec and transfer to it the whole responsibility of that sector, as well as the necessary funds which are, in all fairness, owed to that province for regional development purposes.

[*English*]

**The Deputy Speaker:** There remain 20 seconds in the period. I assume there is not unanimous consent to continue the question period.

**Some hon. members:** No.

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, on a point of order, I would like to ask you for clarification on the process we will follow for the rest of the afternoon.

My understanding is that today's debate is on Motion No. 16. We are debating the report on access to capital for small business that the industry committee members put together over the last several months. The previous speaker chose not to deal with the report not only during his main address but also during the eight minutes of the ten he took up during the question and answer period. Is it your position, Mr. Speaker, that members can speak on whatever they want for the rest of the afternoon or are we going to deal with Motion No. 16?

• (1530)

**The Deputy Speaker:** Colleagues, the member and all members will know that there is a relevance rule in our standing orders that is observed mostly in being ignored in the House. This Chair at least would be delighted if members would respect the rule of relevance but in the time I have been here that rule is ignored more than any other in the standing orders.

**Mr. Milliken:** I rise on a point of order, Mr. Speaker. It has been my experience, limited as it has been in terms of the House and in comparison with other members, that when the Speaker's attention is drawn to the fact that a member is addressing the House in a manner that is irrelevant to the subject under discussion the Speaker then directs the person speaking to make his remarks relevant.

The parliamentary secretary was suggesting that perhaps it would be appropriate that when members rise on a point of order to point out the irrelevance that Your Honour would take note of it and direct the member to make his remarks relevant or face the consequence in Standing Order 11 which says:

> The Speaker or the Chairman, after having called the attention of the House, or of the Committee, to the conduct of a Member who persists in irrelevance, or repetition, may direct the Member to discontinue his or her speech, and if then the Member still continues to speak, the Speaker shall name the Member or, if in Committee, the Chairman shall report the Member to the House.

**The Deputy Speaker:** Thank you to the hon. parliamentary secretary. As I say I think all the Chairs would be delighted to see the relevance rule respected. If members in the House are indicating they wish to see it pursued vigorously, I suppose all of us will take careful note of that.

In the meantime it is the Secretary of State for International Financial Institutions who has the floor on debate.

[*Translation*]

**Mr. Leroux (Richmond—Wolfe):** Mr. Speaker, I am still referring to the point of order. I think that the members are trying to raise an issue by claiming that my speech was not relevant. Yet, they know perfectly well that my speech was directly related to the development of small businesses and to

access to financing, that it suggested a much wider and structured approach, and that it was right on target.

It may hurt them, but my comments were really relevant and related to the issue being discussed here today.

[*English*]

**The Deputy Speaker:** The hon. minister has the floor. We trust his remarks will be relevant.

**Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, I am extremely pleased to have this opportunity and to congratulate the industry committee for the work it has done on the issue of financing small business. I intend to keep my topic to that item.

Our government clearly recognizes that small business is a vital sector of Canada's economy. The report of the industry committee makes a valuable contribution to public debate and understanding of the needs of that sector.

It is worth emphasizing and it is worth emphasizing again and again just how important small business is by beginning with a few facts.

Small business accounts for nearly 40 per cent of our national economy, a third of corporate profits. More than half of all Canadians working in the private sector are either self–employed or work in businesses with fewer than 100 employees. Even more important, in just a decade this same sector of companies with fewer than 100 employees created more than eight out of ten of the new jobs in Canada.

This is not a passing trend. Small business is clearly the engine of growth in the new economy and the policies of this government recognize that fact. As you know, Mr. Speaker, we campaigned on this issue. For example, the Prime Minister and I held a small business forum in my riding in Scarborough East during the election campaign. As the Prime Minister pointed out, if only a third of small businesses in Canada each hired one additional employee fully 300,000 new jobs would be created.

To realize their full potential as creators of new jobs small businesses need the right environment, one that allows them to prosper and expand. Canadians are tired of governments that pursue quick fixes or jump on the latest fad but have no fundamental vision of what government should and should not do in the economic arena. That is why our government set out a new comprehensive vision in its recent paper "A new framework for economic policy".

That paper sets out five key areas on which we must focus. The first is helping Canadians acquire skills; the skills to get jobs, the skills to keep jobs, and the skills to find better jobs.

• (1535)

The second part of our economic framework is encouraging Canadians to adjust to change. That will require changes in the government's approach to subsidies as well as to unemployment insurance and high payroll taxes, which are a detriment to small business.

The third element in our framework is getting government right. That means targeting scarce resources on the highest priority programs and reducing or eliminating lower priority activities. It also means draining the swamp of federal regulations.

Providing leadership in the economy is our fourth objective. The private sector creates jobs, especially the small business sector. The government has a role in fostering economic growth. It can do this for example by gathering and sharing information about technology and information about new markets.

It can help bring businesses together with other businesses and together with the new technology. It can facilitate trade by ensuring access to markets and to adequate export financing.

The fifth and final objective is absolutely essential to fulfilling the other objectives. We must create a healthy fiscal and monetary climate in Canada. Canadians are paying a painful price for decades of deficit and debt. It is measured in high taxes, high interest rates, too few jobs and too little growth. Higher interest rates have imposed a heavy burden on all Canadians and few understand that burden better than the men and women who operate small businesses.

The matter of interest rates brings me back to the central issue here today, access to financing. While know–how and entrepreneurship are the engines of small business success they are not always enough. Access to financing can be a critical issue for small businesses, particularly during their early years. The importance of bank financing to this sector would be difficult to overstate. Indeed, bank financing accounts for about 90 per cent of the external financing of small businesses.

Recognizing this our government met with the CEOs of Canada's major banks shortly after taking office. We urged them to re–examine their approaches to small business lending and challenged them to be more innovative and responsive. The Minister of Finance and I have been very clear in our discussions. The government expects improvement in banking practices. In no small measure Canada's economic prospects hinge upon the banking community, recognizing that small business has specific needs. To meet these needs banking practices must change.

I believe that the banking community is listening and that we are seeing some results. The banks have been taking initiatives to help their small business clients. These include such things as increases in funds set aside for conventional loans to small businesses. One bank introduced a program to provide financial

assistance to viable small businesses that are experiencing temporary cash flow problems. Another created a $125 million venture capital fund to invest in small and medium size companies.

Several banks have introduced programs to enhance the accessibility of knowledge based firms to financing and other banking services. Others have introduced new procedures to handle complaints. One bank has appointed an internal ombudsman reporting directly to the chairman to ensure that a proper level of service has been provided to small business clients. Another bank has established a panel to review complaints, a panel that includes a representative from small business.

The list goes on. Two banks have established regional business centres to provide specialized services to small business clients. Another has introduced a program to provide overdraft protection to SBLA customers that do not have operating credit.

I recently issued a letter to all hon. members outlining these and other bank actions to help meet the needs of small businesses. I sought members' assistance in monitoring the results of these initiatives. Specifically, I asked members to let me know if the banks were fulfilling those commitments and if their initiatives were helping to reduce the credit difficulties of small businesses in their constituencies.

In addition, the government has been working with the banks on a number of important areas related to bank financing. These include several major areas in which the committee reports make some substantial recommendations.

• (1540)

For example, senior representatives of the Department of Finance and Industry have been encouraging the banks to move ahead on a number of issues, including a code of conduct for small business lending.

This code should help place the relationship between banks and small business on a sounder footing by making the borrowing process more transparent and providing a simple, timely and effective mechanism to resolve disputes.

The government has also been reviewing a number of other areas with the banks; export financing, the improvement of banking statistics and the question of personal guarantees for loans under the Small Businesses Loans Act. All these are areas that are being examined.

Against that backdrop I would welcome the industry committee's report with enthusiasm. Many of the committee's recommendations touch on areas where, as I indicated earlier, work is already under way.

I understand that the code of conduct for small business lending will be released shortly. It will establish minimum industry wide guidelines. Individual banks will also be able to develop their own codes which will be released soon after.

The best method of dispute resolution remains to be determined. There are a number of options that will need to be reviewed and the committee's proposals are a useful addition to this discussion.

The committee has also recommended that government departments and agencies work with the banks to improve statistics on lending to small business. Work to improve data in this area is already under way. It involves officials from the Bank of Canada as well as those from the Department of Finance.

In addition to proposals related directly to the bank, the committee has made a number of recommendations pertaining to government programs and agencies. It has, for example, recommended that the Small Businesses Loans Act be revised. We must ensure that this program is run on a cost efficient basis with minimal risk shifting to the government and without preference to bank financing.

The committee is correct to point out that there are concerns about future program costs as well as the extent to which the program adds to the total supply of financing. A successful SBLA program will remain a critical element of the government's small business agenda.

We are reviewing the program with an eye to improving its incremental nature. We are also reviewing it with addressing the fiscal concerns through increased cost for coverage. We will also continue to ensure that qualified private sector lenders other than the banks remain eligible to participate in that program.

Among the committee's other major recommendations was the establishment of a limited working capital guarantee program for small and medium sized exporters. This too is an area in which work is already under way. The Export Development Corporation is currently working with financial institutions on a new insurance product. This product will facilitate the use of foreign accounts receivable by small and medium sized exporters to secure working capital lines of credit. As recommended by the committee, this program will be self–financing and the premiums will be commensurate with the risk.

I focused on the committee's proposals in areas where work has already started. The committee has, of course, made other

recommendations that touch on areas where further study is needed.

For example, the committee has made several proposals, particularly in the area of venture capital which have a significant tax dimension. Clearly these proposals must be examined further to ensure that their full fiscal ramifications and possible side effects are taken into account. Alternative approaches must also be duly considered.

One recommendation in this area is a reduction in the capital gains tax rate on so–called patient capital, that is capital investments with a five–year term or longer. As many hon. members are aware, a task force has been consulting with business and farm groups on the $500,000 lifetime capital gains exemption.

In the course of this review, a number of proposals for reforming capital gains treatment of small businesses have been received including proposals for reducing the capital gains rate on longer term investment. These proposals will of course be examined closely.

I should also point out that a few of the committee's recommendations appear to suggest an easing of prudential standards for financial institutions. These, like all the recommendations, will be carefully considered. Let me emphasize that the government will not pursue any measure that could weaken the financial system in any way. A strong and reliable financial system is central to Canada's economic health. We will certainly not jeopardize it.

• (1545)

In closing, I once again would like to express my appreciation for the opportunity to participate in today's discussion and to congratulate the committee on its report. It is also my intention to state my conviction that Canada's small business sector will become even stronger and more competitive.

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, I listened with great interest to the hon. member's presentation.

I purchased my first business when I was 18 years old. Throughout all of my life save for about five years I have been in and out of small business and consider myself somewhat of an entrepreneur. The definition of that as an entrepreneur through your life you have some winners and some losers but at the end of the day you hope you have more winners than losers. Fortunately I lucked out from hard work, but through all those years my biggest competitors were the bankers.

I listened to the hon. member talk about proposals and that the banks are going to do studies and they are going to talk about this and talk about that. They have been doing that for years.

I particularly remember the period of the great recession in early 1982 when the Bank of Commerce had a multimillion dollar television campaign with Anne Murray telling all small businesses in Canada that the Bank of Commerce was their friend. I was operating a business then and fortunately I was not really caught in the recession. One day I got a call from my banker who said: "Dick, we are going to cut your credit line in half". When I asked why, he said: "We have just been advised we have to raise some capital".

The banks can talk all they want about programs and plans. The government can talk all it wants about how much it is talking to the banks, but nothing is going to happen to help small business until the monopoly of the big five bankers in this country is threatened or broken up.

The hon. member said that the government has met with the CEOs of the major banks and they have promised to look at improving banking practices in relation to small business. That is fine, but my question is, improving banking practices or what? What kind of hammer is the government going to hold over these bankers to make sure they do?

If the government would dare to suggest to the big five who have this country in a monopolistic grip when it comes to finance, if it would threaten to open up the banking industry to private enterprise, to competition, to regional banks that would specialize in small business financing, that would be the biggest incentive for the banks to start looking seriously at small business. As long as the banks hold all the cards, as long as they are contributing millions of dollars to the two old line parties to help them with their election costs, they are never going to give up their monopoly and small business is never ever going to get any benefit or relief from the banking industry in this country.

**Mr. Peters:** Mr. Speaker, the hon. member raises several very interesting points. First, there are more than five banks in this country. There are over sixty banks. All of the world's largest banks are here. They are quite free to lend to small business if they wish. One or two of them do lend to small business. The rest of them do not.

Opening up the banking business to what? The charters of trust companies, loan companies and the banks are all the same. Any one can get a charter if they want to. If they want to open a regional business, some have been successful, others have been less than successful. The member should look at the number of financial institutions that OSFI and CDIC insure and inspect. There are several hundred financial institutions. The options are there.

• (1550)

I would also point out that the member is correct in that small business indeed deals with the six large chartered banks. I do not know why. Would it be because for the most part small busi-

nesses get the financing they want from them? It is probably because they provide service to most small businesses.

I do not think all small businesses have problems with the banks. There are far too many. I hope the hon. member will review the list of initiatives I sent to each member of this House. I ask members to go over the list and tell me where these things have not been done. If there are failures in them, if the initiatives are not being pursued, then I would like to know because I will bring those up with the banks that have proposed them.

I presume the banks are serious about those initiatives. They would not have announced them if they were not. They were announced after we had pursued them. If they are not serious, then I hope hon. members will let me know. Some have. Several members have written to me. I hope the hon. member will take the opportunity and tell me of specific instances where these initiatives have not happened in his riding or elsewhere.

**Mr. Boudria:** I rise on a point of order, Mr. Speaker. Pursuant to Standing Order 43(2) I wish to indicate to the House that Liberal members of Parliament for the rest of this sitting day will be sharing their time.

**Mr. Harris:** Mr. Speaker, I assure the hon. member that I will be monitoring the promises—if we can call them that—of the banking industry to see whether they are actually following through on them. I am not going to cross my fingers because I have heard this rhetoric from the banking industry for a number of years. It is always the small businessmen. When the sun is shining the banks will hand them an umbrella but when it starts to rain they are the first ones to take it away.

The hon. member knows very well that the big six do in fact control virtually all the business in the country. The hon. member also knows that the big six have the resources to get involved in a little bit of risk financing. I am sure they consider small businesses as high risk, otherwise they would not treat them as they do.

The hon. member also knows that the smaller banks do not have the kind of capital to get involved in the more risky loan portfolios like small business. That is why all the small businesses are pretty much obliged to deal with the big banking institutions, the big six. They really do not have too many choices.

The government should tell the banking industry: "Now listen. You folks are talking about rearranging your priorities when it comes to small business, rearranging the conditions under which you lend. You are doing these studies and you are going to come up with some good programs. You have admitted it has to be done, now what are you going to do about it? Are you really going to do something? Because if you do not we as a government are going to impose a few restrictions on you. You will not have such a monopoly in dealing with business in this country".

Clearly the government is going to have to hold some sort of a hammer over these guys in the banking industry. If not, they are simply not going to do anything no matter how much the government talks to them, no matter how many times their CEOs meet and say that yes, they have to be a little more gentle toward the small business interests. They are simply not going to change their practices they have followed since day one until the government holds a hammer over their heads to change their lending practices.

• (1555)

**Mr. Peters:** Mr. Speaker, it is nice to know the hon. member is an expert on how the CEOs of the banks react to the admonitions of government. Unfortunately he is not an expert. Let me tell him that the CEOs of the banks have taken the admonitions of the Minister of Finance and myself seriously. That is exactly what we told them. We told them that they have to change. We told them that shortly after we were elected and we told them at meetings again and again.

Let me assure the hon. member that there have been far more initiatives put out by the banking industry since this Liberal government was elected than have been put out by that same industry—

**The Deputy Speaker:** Order, the time has expired. The hon. member for Edmonton Southwest on debate.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I take great pleasure in participating in this debate today. It is interesting. You can certainly identify those of us in this House who have signed a cheque in our lives because we certainly have a lot more interest and a lot more fire in our bellies when we get to talking about the banks and the banking institutions in Canada.

The relationship with the big sisters, the big banks in Canada, was very well summarized in the title of a book that was published about 10 years ago: *Towers of Gold, Feet of Clay.* When you think about that for a second it really brings into focus the reason for this debate in the first place and why the industry committee worked so hard on its report on small business financing.

It was interesting to me coming from western Canada that this country did not really have a recession until the late 1980s and closer to 1990 when it really hit southern Ontario. That is when we had a recession. But for business people in the west the recession started much earlier than that and it started overnight. It was exacerbated by the national energy plan but made much worse by the fact that during that time the big banks had loaned vast amounts of money all over the world and then were drawing in the loans all over Canada from the small business sector.

That was one interesting time to be in business. Banks were lending money and had loaned money and taken huge losses all over the world but they were putting the screws to small business people because they were the only ones they could put the screws to.

There is a saying in the banking business that when you are not a lender, you are a receiver, and if you owe the bank a thousand dollars you have a problem, but if you owe it a million dollars it has a problem. That is absolutely true.

Both sides of this story have learned a little over the intervening years and as in everything in life when there is competition in any industry it is good for the business. It is good for the industry. I think we are getting more competition in the banking business and that competition is good.

This report put together by the industry committee has 24 recommendations. They run the gamut of just about everything you can imagine: monitoring and approving statistics, regulating bank behaviour, leasing, federal programs to assist small and medium business, stimulating competition, using RRSPs, provincial security regulations, taxation and capital gains, labour sponsored venture capital corporations and mutual guarantee co–operatives.

I would like to restrict my comments to four separate issues: the role of the Small Businesses Loans Act; the role of the Federal Business Development Bank; whether or not to speak more generally to the role of business and government and the relationship and how much government money should be involved in business; and just a few minutes to speak about the legitimate role of an entrepreneur and just who should have the risk.

• (1600)

Let us start with the Small Businesses Loans Act. For the benefit of those who may not be aware of it, when an entrepreneur gets an idea they go into the bank and say they have an idea, they want to start a business. The Small Businesses Loans Act will lend government guaranteed money up to 90 per cent of the value of the loan and it is guaranteed by the government. It is set and established at a rate of 1.75 per cent over prime.

A few years ago the amount was increased dramatically. I think it went to $200,000 from $50,000. At the same time the economy was going down the tubes in Ontario.

As Don Cherry says, you don't have to be a rocket surgeon to figure it out. If the economy is going down the tube—

**Mr. Calder:** A rocket scientist.

**Mr. McClelland:** A rocket surgeon, a brain scientist. This is Don Cherry.

You do not have to be a rocket surgeon to know that if we have an economy that has gone down the tube like the economy in Ontario we increase the amount of money that is available under the Small Businesses Loans Act that is guaranteed 90 per cent by the Government of Canada; that is taxpayers at 10 bucks a pop. What is going to happen? The banks are going to roll all of their questionable loans into the small business loans. They are all going to be guaranteed by the taxpayer—guess what, at 1.75 per cent above prime.

What entrepreneur would go into a bank and say: "I would like to borrow some money but I'm prepared to pay 2 or 2.75 or 2.5 above prime and use my own money and by the way I don't want the government to backstop it so you use your money because that is why you're in a risk business". They go in there and say: "I want a Small Businesses Loans Act loan" and the bank is quite happy to have its risk guaranteed by the government.

Is it any wonder that the use of small businesses loans skyrockets? This is not rocket science here. This is fairly basic.

Then what do we do? We say we are going to try to increase the amount of money that is made available under the Small Businesses Loans Act to small business. What is that going to do? That is going to give the banks that much more freedom to get all of their small business loan accounts guaranteed by the taxpayer.

That distorts the banking business and it distorts the responsibility of the entrepreneur going into business. When someone goes into business, it is not the responsibility of the taxpayers to hold them harmless from risk because with risk comes reward.

In the report there is one particularly good recommendation that I would hope the government would take to heart and incorporate: "The program should increase the availability of credit rather than allowing lenders to reduce the risk on loans that would be made without the guarantee".

That means the banks should be making loans to small business and the loan rate should be commensurate with risk. If the Government of Canada, that means the taxpayers of Canada, is going to be guaranteeing loans to businesses, small or medium, those loans should carry a rate of interest commensurate with the risk so that in the long term small business loans would be self–financing or self–liquidating. The losses of some would be offset by the profits of others.

• (1605)

Surely if a loan is going to be guaranteed by the Government of Canada, the taxpayers of Canada, that should carry a cost to the user that it would ensure that the citizens of Canada are held harmless from any risk. That rate should also be high enough that the loans may be determined and may be provided by the bank without having to go to the well of the taxpayer.

If for instance the small business loans were at a rate of 2.5 per cent and the average small business could get a loan at prime plus two or prime plus one and a half, there would be some impetus on the part of the banks and the borrower to borrow money without having to go to the public trough. That is the way it should be.

That is a particularly good recommendation in the report and I would certainly suggest that the government should take it to heart. It is not so much a question of how much within reason a small business or an entrepreneur pays for the use of someone else's money, it is whether that money is available at all.

Another consideration in the small business loans came up in discussion of just what part of the loan should be guaranteed. Should it be the first 90 per cent or the last 90 per cent? Should any loan be guaranteed the first half of it or the last? In my view it should always be, if the Government of Canada is guaranteeing anything, the last portion of the loan, not the first portion.

If I am lending money to someone, I want that person to be lying awake at night trying to figure out how they are going to pay it back. I want to make darn sure that if I lend someone money their number one objective in life is repaying that money, not repaying the last half of it. It is pretty basic but it is real.

A change in the Small Businesses Loans Act which is perhaps the most important is it should be available for working capital, not just for bricks and mortar, not just for equipment, not just for inventory.

If a venture has the strength, and now we are talking about businesses that as a nation we are going to need more of as we get into the knowledge based economy, we are going to be making decisions on working capital which will allow entrepreneurs to develop knowledge based material such as computer programs, CD–ROMs, things that require virtually no inventory, very little bricks and mortar but without working capital would never get off the ground.

The consideration of making working capital requirements of business available under the Small Businesses Loans Act is another very worthwhile objective. I would caution that we are going to have to be very vigilant to ensure that there is oversight on these loans.

We are not doing anyone a favour if we ask them to put their house up, put all of their possessions up and then do not vigorously give an objective analysis to the new venture, to say: "Wait a minute. Make sure you have all your bases covered before you risk everything you have in life".

The next subject I would like to speak about is role of the Federal Business Development Bank. I must admit that I have mixed emotions about the FBDB because it is a lender of last resort. Its purpose is to lend money when chartered banks will not lend money and my feeling is that if a chartered bank will not lend the money or the treasury branch in Alberta, we really have to wonder why on earth the taxpayers of Canada should be taking the risk.

I know that the banks in Canada have not over the last 50 years or so been particularly venturesome. There is a need for longer term patient capital. is possible that the Federal Business Development Bank may be able to fill a legitimate role in this. Frankly, I just do not know.

• (1610)

I would caution that if a bank using taxpayers' money is going to get into the business of lending money on a long term basis to high risk businesses, we had better make sure that it does so in an extremely prudent manner. This cannot be a shotgun approach where we are going to throw enough money at it and hope we will have enough spectacular winners that they will offset the losers.

That brings me to the next part of what I would like to speak about. It is the whole notion of governments at all levels, including the governments in the great province of Quebec that somehow consider their function, their legitimate purpose is to tax money from individuals, take it into the government and then lend it out to other people to go into business against businesses or individuals who paid the taxes in the first place.

What is it about us as politicians that when we get elected we somehow think we have the knowledge or the ability to tell the private sector what it should do? How is it that we think we somehow have the right or even the responsibility to manage an economy? Our country did not get into the hole by $535 billion federally because we in this House have proven to be such great stewards of the taxpayers' wealth.

**Mr. Mills (Broadview—Greenwood):** What are you doing here?

**Mr. McClelland:** My hon. colleague across asks what I am doing here. I am here to try and stop this foolishness. I am here to try to put an end to this.

**Some hon. members:** Oh, oh.

**Mr. McClelland:** My hon. colleagues across the way laugh, but the fact of the matter is that 25 years ago the Liberal Party started us on this slippery slope, thinking it is somebody else's money.

**Mr. Mills (Broadview—Greenwood):** Here it comes.

**Mr. McClelland:** It is giggle time over there. I thought that might happen. I just happen to have a list of financial institutions that have gone down the tube since 1970 for which the taxpayers of Canada have picked up the pieces. There are 32 of them, $9,392,000,000. Of that, there is $5,189,000,000 in recoveries. Somehow there is $4 billion of taxpayers' money, people who are struggling to get by earning $8 to $10 an hour, going to the government and all of a sudden we are backstopping huge businesses. There are a few more here, another three pages.

I do want to compliment the government on one of these. This is through western economic diversification. This was federal funding to Consumers' Paper Corporation and SHOTCO Ammunition Corporation. They were cancelled by the minister in charge of western economic development. One was labelled as a

political handout and the other 30 per cent owned by the Venezuelan military. At least it is looking at it. I give the government credit for that.

Meanwhile we have Bell Helicopter, $165 million; Algoma Steel, $15 million—pages and pages of money that has been lent by governments to small and medium size business that has been written off. It is not our responsibility as elected members of Parliament to—

• (1615)

**Mr. Mills (Broadview—Greenwood):** What do you mean written off?

**Mr. McClelland:** What do I mean by written off? From the Department of Industry; International Tin Council, $4.6 million. From FORD–Q; Nambera Studio, $63,000, a grant to a company that went bankrupt. From ACOA; Preston & Area Development Fund, $144,000, $570,000 write–off, uncollectable. There are zillions of them. Maybe not zillions, there are some success stories.

Would we have had the same successes whether or not taxpayers' money was involved in underwriting these businesses? That is the question.

There are some instances where taxpayers' money has proven to be beneficial. For instance, the hon. member opposite has brought to my attention time and time again the auto pact and what a great benefit it has been to the country. However, when we are talking about these things, we are talking about huge sectoral vision things. We are not talking about the little industry or a little micro thing. We are talking about vision and the broad picture.

We did not get into this mess by accident. We got into it because we thought we could make investment decisions on behalf of individual taxpayers. We cannot do that.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I continue to marvel at the member's remarks because I never realized he was such a defender of the banking institutions in our country. I thought that essentially he agreed with most of his colleagues' recommendations, that this was an opportunity and a time in our history when all members of Parliament could get together and challenge the financial institutions to change their attitude and banking practices toward small and medium sized businesses. That of course was the essence and the purpose of this debate today.

I will get right to the question and I will take less than two minutes. The question goes back to the the member's recognition of the auto pact and the fact that this is an area where legislators made a decision that the automobile industry was an industry that we would support.

We have also made similar decisions in the House of Commons for the oil and gas sector. Is the member suggesting that legislators should have nothing to do in trying to assist the oil and gas sectors of the country?

**Mr. McClelland:** Mr. Speaker, I point out to the hon. member opposite that he must have been working on that question for me during the first 15 minutes of my presentation. At that time I spent a fair amount of time talking about the towers of gold and feet of clay and what led to it and how that came about.

Certainly no one would ever see me standing and defending the banks. The banks certainly do not need any defence by me nor would they be likely to get it.

The second question had to do with the role of government in regulation in the oil and gas industry and in particular the auto pact. Government has a legitimate role to play in the financial affairs of the country. However, the legitimate role should be to ensure that the marketplace is fair, to ensure that competition exists, to ensure that consumers are not taken advantage of by any industry that has an oligopoly or a monopoly. We are talking about the banking industry as an oligopoly.

• (1620)

The government has a role to play in water resources, in resources like oil and gas. We have to ensure that we have a competitive marketplace, that we have a tax structure for instance that encourages people to invest their money in the oil and gas industry.

The government does not have a role to play in picking winners and losers in the marketplace. It does not have a role to play in taking money from me and giving it to somebody else and saying: "You are the business that we want".

Hon. members opposite pointed out the role of government in their science and technology review. Some of the most esteemed people in the country came together under the auspices of the Department of Industry to discuss science and technology in Canada. They said it is not the role of the government to pick winners and losers but to assist winners that have been decided by the marketplace.

I realize that it is very difficult to make the distinction but there is a distinction. The marketplace decides who the winners are and what has to be done to support them. The way we can support winners in industry is by making sure that we have a steady supply of educated and trained people as a workforce for them. That is one of the things that we can do.

The member opposite asks: "What about Bell helicopters?" What about Bell helicopters? We throw all that money at Bell helicopters. What about Boeing? It is talking about picking up its toys and going home because we ended up buying some air buses.

We get involved in deciding who are going to be winners and who are going to be losers. I am trying desperately not to bring up the names of Lavelin–Bombardier and that whole group in the aerospace industry. How much of what that company has done would have been done had we not gone to them with a public purse and they had had to do it themselves.

The shareholders of Bombardier–Lavelin are the ones that get the benefits. Joe Taxpayer earning $10 an hour is not getting a nickel from them.

[*Translation*]

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, I would like to ask my colleague from Edmonton Southwest what he thinks of the recommendations made by the Standing Committee on Industry in its report concerning the efforts the government must make to support the new economy based on high technology, patents, research and development, technology transfers, with very little concrete guarantees compared to what is provided to lending banks. We know this is a problem for those who deal with creative people, but then it is tomorrow's economy.

I want to know if my colleague thinks that the report does not go far enough in this area?

[*English*]

**Mr. McClelland:** Mr. Speaker, the report is the first tentative step in that direction. The fact that nobody quite knows how to address this is reflected in the report. The possibility of the Small Businesses Loans Act being amended to include working capital will go a long way to solving that problem.

Therefore this has been addressed tentatively in the report. I say tentatively because I am sure that most people share a little indecision on just where we should go.

If I may in 10 seconds, I would like to sum up where the Department of Industry should focus. We should try to establish and to maintain a culture that rewards entrepreneurship, innovation and research and ensures a level, competitive, honest marketplace.

**Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.):** Mr. Speaker, I am pleased to rise to participate in this debate concentrating on one of the most important aspects of Canadian society. The government has recognized that small business is our future.

Small business creates many of our new jobs, stimulates our economy and provides employment for millions of Canadians. In Guelph—Wellington and elsewhere when small business succeeds, Canada succeeds.

• (1625)

I was a small business owner. I am excited about what the government is doing to assist small and medium sized business in my riding of Guelph—Wellington and across Canada. I can tell you, Mr. Speaker, that many of my constituents are excited about it too.

I would like to spend some time concentrating on labour skills and the importance of further enhancing the competitiveness and growth of our small and medium sized businesses. I have had the opportunity to meet with many small business owners and managers throughout Guelph—Wellington. They are excited about their future. They believe they have one. They weathered the recession and they weathered the GST. They want government help in order to succeed. They need government, though, to get out of the way where it creates unnecessary bureaucracy and red tape.

I have been told over and over again: "Please, get this red tape away from us". Single shop people cannot handle it and the government is going to address some of those needs.

They want government to initiate incentives which will encourage their success. They count on us to do that. We can assist the small and medium sized business owner who wants to expand through providing Canadian workers with the skills to compete in this highly competitive and rapidly changing environment.

Guelph—Wellington has one of the finest skilled worker forces in Canada with one of the lowest unemployment rates in the country. However there are still some who are unemployed. They want to work. There are still some in Guelph—Wellington receiving social assistance. They also want to work. There are also thousands of unskilled or underskilled workers who can contribute if given the skills. They have to have those skills.

Business leaders in Guelph—Wellington know what they need to succeed. Our economy depends on small business; 69.7 per cent of businesses in Ontario have less than five employees. The needs of each one of those businesses are unique but government can help.

In the past we have spent too much time training people for skills that are not required. What is required now is flexible training programs that provide on the job training, training for which the employer provides time off or tuition assistance, or classroom training at educational institutions. Business people in my community will help to train workers because they want to ensure that our community and, more important, all of Canada have the best skilled labour force so that we can compete in this world.

We must train people for jobs that do exist or will exist and business must play a role in both identifying these positions as well as helping in the training process. This is a win–win situation.

Guelph—Wellington business people want better information. They want to share that information with other business leaders across Canada. Our knowledge based economy means that we must work together to make it work. Eighty–five per cent of new employment is being created today in small and medium sized businesses.

Our businesses will need child care workers, veterinarians, dental hygienists and psychotherapists in the near future. If we are going to prepare for the future we must invest in people today.

The social security review process will assist us in identifying priorities and overcome the obstacles to successful skills development in Canada. We must decide how basic skills training can best be improved and what priority this training should receive.

Employers in my riding want to be given a better role in training. They want to be consulted and informed and they want to participate in all facets of skills training. Already employers and employees are working together to shape this kind of training. The reason for quality skills training is obvious: Well–trained workers are more employable and can adapt more easily if they must change jobs.

• (1630)

The enthusiasm is there. Guelph—Wellington workers want the skills necessary to compete. They want to be able to adjust to marketplace changes and they do want to work. The employers in my riding are asking for new and innovative ways to provide training. They want tax credits, direct government assistance, educational leave and work sharing agreements. Like their workers, they are not looking for handouts. They want the tools which will enable them to invest in developing employee skills. Investing in the workforce of Guelph—Wellington means investing in our future.

The workplace is changing. Canada is looking to expand into an ever competitive global market. As the Prime Minister and Team Canada have shown us over the past few days, we are not afraid of competing with the world's best. We are the world's best. Business people in Guelph—Wellington and elsewhere in Canada know they can do business anywhere in the world. They need workers who are adaptable, flexible and willing to learn new job skills.

We are talking about investment. Business leaders know that smart investment leads to success. We must invest in our people in order to compete, to expand, to grow, to be healthy. We must encourage lifelong learning. Gone are the days where a worker can be trained for a position of 30 or 40 years. We must build on providing literacy training, encourage our young people to stay in school and to prepare for the jobs that are available and provide incentives for individuals and employers to invest in continuous skills upgrading. Learning is a lifelong adventure.

Responding to the demands of the global marketplace means keeping pace with changes in today's workplace. The progressive business person in Guelph—Wellington knows that for every dollar spent on training by Canadian businesses American businesses spend twice as much. Japanese business spends five times that and German business spends eight times that. Without ongoing skills training we cannot survive.

This government is forging partnerships. Team Canada has shown what working together can do for Canada. Guelph—Wellington business people want to be partners with their employees. Workers want their employers to be successful. All want government to work. We know that investing in people will result in a highly skilled and competitive workforce in Canada. I am proud of the optimism of businesses in Guelph—Wellington. They are looking ahead. They have weathered a terrible storm.

Our workers do not want unemployment insurance or social welfare. They want to work. They want to contribute in a successful and expanding society. They want to give their children and they want for themselves the skills necessary to ensure economic prosperity. They are tired of facing layoffs and work slowdowns. They want sustainable employment. They want to be the best that they can be.

The United Nations has stated that Canada is the best place in the world in which to live. Through continued partnerships while fostering training, Canada will continue to be the best place in the world to live.

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, I want to touch on a couple of points the hon. member mentioned. I acknowledge that certainly people in Canada want to work and people in Guelph—Wellington indeed want to work. They want jobs. No one wants to be on welfare, although that seems to be somewhat of an industry in the country these days.

• (1635 )

The hon. member touched on the fact that the United States, Japan, Germany and one other country spend many more times on worker training than does business in Canada. I do not doubt that statistic for a moment but the fact is that by comparison the cost of doing business in those countries is many times less than it is in Canada.

The fact that probably our businesses are not spending an equal amount of money on training programs is that they cannot afford it. The taxation levels for small and medium sized business in this country are many times higher than what it is in the four countries the hon. member mentioned. The cost of doing business in this country with taxation in all its forms, property taxes, payroll taxes, is many times more than in other countries.

The fact is the other countries simply have more money to spend on training programs. They do not have a $40 billion deficit ratio to GDP that we have in Canada. They do not have a $535 billion debt which when ratioed out to the GDP is almost uncontrollable or we are going to have a terrible time making a dent in it. They do not have the financial problems Canada has.

The problems that Canada has with its financial house is a direct factor in the cost of doing business in this country particularly for small and medium sized business which invariably do not have the advantages the large mega–businesses do. They struggle to a far greater extent. They do not have the money to put into training programs.

There was a time in this country prior to a Liberal government which started this deficit and debt spiral some 25 years ago, when the cost of doing business made Canadian business extremely competitive in the world market. Canadian business was very profitable because we did not have these extreme taxation levels and cost of doing business. Those times are long gone.

Right now the biggest deterrent to training programs in this country is that the businesses simply cannot afford it. If we did not have the deficit and the debt, this country would be in fine shape.

**Mrs. Chamberlain:** Mr. Speaker, the hon. member mentioned that we cannot afford to spend money on training programs. I would submit that we cannot afford not to spend money on training programs. If we do not we will not have a future in this country, quite clearly. There is no question about that.

There is an issue on partnerships. He raised from my speech the issue that other countries do develop and put far more into their training than Canada does. Those are true statistics but Canadian companies are now finally realizing that this is a very important part of their survival too.

I spent this summer visiting the CEOs at many factories in Guelph—Wellington. They realize they have made an error in not bringing people along and not always at a great cost. Many times they could have people on the floor doing things halfway through a shift that they have not been thinking about doing. They have not necessarily seen the new technology coming down the pipe. I submit to the hon. member there are a lot of things we can do better in that area. Our industries know that. I encourage the hon. member to take some time to see this for himself.

The member is quite right. Our businesses have a real problem with some of the wages, CPP and other programs they have to pay into. Our finance minister has continually said that one of the things this government is committed to doing is that we will meet our 3 per cent target. That will help us a lot.

• (1640)

## BUSINESS OF THE HOUSE

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I think you will find unanimous consent for the following motion. I move:

That at 3 p.m. tomorrow the House shall revert to presenting reports from committees.

**The Deputy Speaker:** Is there unanimous consent?

**Some hon. members:** Agreed.

(Motion agreed to.)

* * *

## STANDING COMMITTEE ON INDUSTRY

The House resumed consideration of the motion.

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, it gives me great pleasure to involve myself in the debate on the industry committee report "Taking Care of Small Business". Indeed, I worked many, many hours on that committee. I thank colleagues from all parties for their co–operation.

One of the basics of that report was the examination of some of this country's banking structures. I was pleased to take this a bit further this week by accepting the invitation of the Royal Bank to go through its executive headquarters in Toronto and speak with the executive staff on how they are administering their loan portfolios for small and medium size business. I think we are getting a little better understanding of where the problems lie but there is still much to be done.

A mere six years before the turn of the century is an ideal time to consider whether we should reinvent a new industrial strategy for Canada. The problem with Canada and Canadians is that we are not aware of our own greatness. Biomedical research, software development, telecommunications, and geomatic engineering are only some of the areas in which Canada is a recognized world leader.

The new economy will not be based on brawn but rather brains. Also, small and efficient will be the watchwords as big industrial structures come apart crumbling into decay. The smokestacks will be silenced as Canada moves from infancy to adulthood.

Nuala Beck in the recent book *Shifting Gears: Thriving in the New Economy* refers to some of these changes. In British Columbia more people are engaged in telecommunications than in forestry. In Nova Scotia there are more people engaged in the workforce in education than in the fishery, forestry and construction industries put together.

Small and medium sized businesses will be the engine of the future economy. This engine will be fueled by knowledge and driven by a new breed of entrepreneurs. They will be the employers and the wealth creators of the 21st century. It is by them that employment will be created and they will deliver new consumer goods.

As a government we must redefine ourselves in light of these new changes. We must get out of the way of this new engine lest we be run over by it. But more important, we must restructure government so that it can assist this emerging economy, so that Canada's small and medium sized businesses can dare to be the very best in the world.

How can this relationship between government and small and medium sized business be strengthened to ensure Canada reaches its full potential in the next century? I am pleased to see that our government has undertaken a number of initiatives in support of small and medium sized businesses. Over 30 per cent of our gross domestic product is accounted for by trade. Currently almost all of this is done by a mere handful of companies. Clearly this is not good enough.

The Department of Foreign Affairs and International Trade has undertaken along with our banks a robust venture to redefine what skills our business people will need to attack foreign markets. It ranges from aggressive training sessions, more intuitive financing devices for export trade through the Export Development Corporation and the Canadian Commercial Corporation to development of a data bank of contracts and highlights of emerging markets.

In addition we will have to restructure our foreign trade missions. I have had some experience with this having been in Beijing in the spring. I can say that some of the people in our trade missions are not cognizant of some of the needs of small business in an international environment. These people must work hand in hand with business to ensure that Canadian companies can make the leap to international traders.

• (1645 )

I need only remind my colleagues of the great successes we are hearing from the Team Canada mission now travelling in Southeast Asia. As I mentioned, I had the opportunity of visiting Beijing on a trade mission along with some of my parliamentary colleagues in the spring. Unfortunately some of my Reform colleagues did not bother to come along, but it was a very big success. It was a trade mission of a lot of small and medium size businesses basically from the Ontario area. We went to Beijing and created new alliances.

I am happy to say that due to that process, their mayors and a number of people from Weifang in China, with over 85 million people, have signed an economic alliance agreement with the township of Whitby in my riding. Many of our small and medium size business today are trading with China. Some of our small businesses have opened branches in Beijing. These are the things we have to do.

The change is happening now. More employment has now reached my riding of Durham. I can only say that we must encourage more of this sort of development. I believe the initiatives of the Department of Foreign Affairs and International Trade will do just that.

I have spoken about the area of trade. We must also address some of the needs of small and medium sized businesses as they attempt to establish themselves in the domestic market. Often government practices are a hindrance to them. High commercial and business tax assessments, meddlesome provincial standards and regulations, our own dreaded GST, as well as an inordinately high level of taxation are only some of the overwhelming obstacles faced by our business community.

The deficit hems us in as a government and does not give us the affordability to pursue more aggressive policy. Indeed, by being a heavy borrower governments have crowded out the capital requirements of small business. In a way our best commitment to small and medium size business will be deficit control and reduction.

Current high interest rates and high taxation are choking off business formation. To arrest this problem is a major commitment to small and medium size business.

Having said this, I believe that there are things that government can do better to achieve a greater degree of business confidence. We should seriously consider bringing back a form of income tax moratorium on capital invested in small and medium size business. In other words, encourage capital retention within the business sector by deferring capital gains recognition to that date when the investor wants to enjoy the fruits of his or her labour. This would allow more aggressive capitalization of small and medium size businesses.

I have mentioned how we could change the taxation system. We also need to reform how small and medium size businesses get access to new capital. I note this was the basis of a report. However, I think there are some other things that we could do. Most small businesses will fail in the first few years of operation. Often this is not because their product was faulty or poorly marketed but because of insufficient capital.

The government has done much in this area. The Small Businesses Loans Act, venture programs administered by the Federal Business Development Bank, working ventures, and even section 25 of the Unemployment Insurance Act are all good initiatives to help small and medium size businesses but still there is something missing.

What we need in this country is an aggressive, over the counter equity market, one which provides relatively cheap access to capital markets but also has the regulatory regime

which can earn the respect of the general public. This is the focal point of investing in ourselves. Canadians have all too often avoided investment risk. This has worked against our potential as a nation. This new and improved market would provide a relatively easy trading system. I note in fact that something of this nature already exists. It is called the Canadian dealer network and is part of the Toronto Stock Exchange. Still, it is too expensive to access and it must be made easier to access.

Finally, we need to believe in ourselves and our great abilities. We need to see beyond tomorrow to what we could be. Business itself will have to be more effective in networking, seeking out solutions of excellence in everything we do. We need to end some of our parochial attitudes which are holding us back from being the best. We must learn to share with each other so that Canadian products will be the best there is and so that the 21st century will truly be Canada's century.

• (1650)

[*Translation*]

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, it is a pleasure to rise in the House today to speak to motion No. 16 standing in the name of the Secretary of State for Parliamentary Affairs, and I quote:

> That this House take note of the Second Report of the Standing Committee on Industry ("Taking Care of Small Business").

I should point out that an analysis of the recommendations of this report and the dissenting report of the Bloc Quebecois to this committee provided an opportunity to ask some important questions about SMEs in general and SME funding in particular which is largely the key to economic development in Quebec and Canada.

I agree the report contains some much needed changes in the way SMEs are financed, to raise them to the level of productivity and competitiveness required as a result of globalization. In my opinion, the number of SMEs should continue to rise, and their production capacity and ability to diversify should be improved, all of which will not be possible unless SME financing helps them expand from a small to a medium sized business and, if possible, to a very big company.

Unfortunately, according to the statistics, between 1978 and 1986 only 1 per cent of Canadian small businesses graduated to the rank of medium–sized businesses, compared with 15 per cent, over the same period, in the United States.

It is very important to find an explanation for the unsatisfactory growth of our businesses, but in the short term, for many regional businesses, financing is often the problem.

This report contains some positive reports concerning SMEs and SME financing, but I feel that some recommendations lack real substance and innovative spirit.

I would support the committee's recommendation that the Federal Development Bank be confirmed in its role as complementary lender to small and medium–sized businesses. However, it must be understood that this role should be redefined so as to avoid duplication and overlap, since all provincial governments have their own government policies. The Government of Quebec is no exception, with its new policy for regionalizing development programs.

Instead of changing the name of the Federal Development Bank, which would mean spending a lot of money with no direct benefit, the federal government would be better advised to give this agency a new philosophy, that is, let it act as a complementary lender of venture capital to businesses, the role formerly played by the Federal Office of Regional Development, which has seen its mandate crumble as a result of the absence of budget allocations.

While on the subject of funding and risk capital, I would like to say a few words about the Small Business Loans Act my Bloc Quebecois colleagues referred to in their dissenting report. I would have liked the committee to show more vision, more understanding in its consideration of small and medium sized business funding. Small business loans are very popular tools among small and medium sized businesses and essential ones too, resolving a number of problems in terms of productivity, market strategy, job creation, by making the necessary funds available.

To be eligible to funds under the Small Businesses Loans Act, SMEs must perform well in management and other areas considered important. These are the conditions essential to their success.

In the committee proceedings, we note that the Liberal members of the committee completely disregard or do not understand the first thing about the basic needs of Quebec and Canadian entrepreneurs desperately seeking a way out of the slump.

This government is proposing that small business groups be divided up in categories based on economic priorities. The Liberals want a new short range program to be put in place to support small business working capital financing just for export businesses.

• (1655)

We can see once again that Liberal lobbyists have successfully looked after their own interests at the expense of other SMEs who also need financial assistance to increase their productivity

in order to become more competitive, and they too are exporting.

Innovative ideas are often required. To boost the economic growth in regions such as Abitibi—Témiscamingue, in my riding like every other riding in the region, small businessmen have to be able to rely on regional development funds created by local investors, for local investments, with the input and/or assistance of both levels of government naturally.

The report deals with similar ideas and I hope that they will be considered by the ministers.

By establishing a regional fund, we could avoid unfortunate situations like that of a woman who came to see me in my office after she was refused a $15,000 bank loan for working capital under the SBLA to start her business. The reasons given for the refusal were her lack of experience and the risky nature of the business, when she herself had already invested nearly $45,000 in equipment. This money had come from her family to help her start her business and create jobs.

By cutting funds for small businesses, the banks prevent them from investing and facing the globalization of the economy. One may wonder whether the small–business programs benefit only the banks, because they have rigid discretionary criteria for funding small businesses, as in the case I just mentioned. They only lend to low risk enterprises, although their mission should be much broader. If these banks cannot do the job, then we should find a government agency such as the Federal Business Development Bank which could do it.

We should all know that if some of the committee's policies were reflected in the government's next budget, small businesses would unfortunately decline considerably, especially in Quebec but also in the rest of Canada. Testimony heard by this committee would seem to justify the Bloc Quebecois's apprehensions.

It is harder and harder for some small businesses to obtain loans because the present government favours those that export. This shows beyond any doubt that the government has no job–creation policy that applies to all small and medium–sized businesses. It has not kept the promise that it made in its red book to help all small and medium–sized businesses. It was supposed to promote employment and its slogan was "jobs, jobs, jobs", but the reality for many small businesses now sounds more like "bankruptcy, bankruptcy, bankruptcy".

The policies of this government are disgusting. The Liberals have the nerve to tell us they will create jobs when in fact they provoke the closure of businesses which did not get the financing they desperately needed, this after being told they would get it. Without access to adequate capital, even the most gifted managers and the best commercial strategies can fail.

I want to give an example, from my riding, where federal support helped promote the development of a business. If the government would only continue to provide this kind of support, we would be in a position to create jobs instead of changing policies. The company I am referring to is called Préci–Bois, in the small village of Barraute. New technology would allow the use of trees with a diameter of less than four inches to make small wooden blades, which are sold and exported to the United States.

The owner personally invested over $500,000, was able to borrow one million dollars from a chartered bank but still had to find $500,000 in risk capital, for a total of $2 million. The Federal Office of Regional Development took eight months, almost a year, to make a favourable decision, but after a lot of representations and explanations federal officials probably realized this was an excellent project. Consequently, more than 30 jobs will be created, which means that the same number of people will leave the welfare or unemployment rolls.

This is a good example where, instead of having the government spending money, jobs are being created for the benefit of the whole country.

Unfortunately, many other projects did not get sufficient funding. This government had promised financing sources to the residents of these communities—I named one village, but representatives from many other ones came to see me because they have developed projects but will not have the necessary funds to complete them—so that they would be able to implement projects which enjoyed unanimous support in their communities and which would have created new jobs.

• (1700)

These people were willing to take the risk and to create companies to diversify local economies. By changing its policies, the government broke its promises without offering any alternative financing. For its part, the Bloc Quebecois wishes to broaden the application of the Small Business Loans Act to include businesses' working capital for all SMEs, because this often makes the difference between success and failure for a given project, whether for export or for the local market.

To implement this financing of SMEs' working capital, the Bloc proposes concrete and realistic solutions in its dissenting report, Appendix F of the report. I agree, of course, that the government should gauge all suggestions in the context of fiscal responsibility, and weigh the costs and benefits of all loan applications. SMEs must assume part of the technical responsibilities, that is to say they should have well structured, profitable and sustainable plans.

Clearly, if the government accepts the suggestion of the Bloc Quebecois or any other positive suggestion on small business capital financing, there will be social and economic benefits, in particular in remote areas like my riding of Abitibi, in Quebec.

In 1988, the FBDB, a major agent of development in our regions, gave more than $8.9 million to 86 manufacturing projects in Abitibi–Témiscamingue. The money was allocated under the Enterprise Development Program—Industrial, the EDP–I. This program allowed a number of businesses to acquire equipment and to upgrade their facilities, thereby improving

their productivity and preparing themselves for an economic recovery.

I could mention a number of examples of companies who benefited from this financing and have, today, the means to export wood byproducts from our area. Presently, with a budget of $ 1.5 million last year instead of eight million which could drop to zero, FORD–Q is targetting small and medium–sized businesses with, as I mentioned before, a strong export potential, which is not bad per se, but other small and medium–sized businesses in the tourism industry, for instance, should not be neglected. More importantly, new services provided by FORD–Q will no longer be in terms of investment but in terms of technical support, that is to say feasibility studies review and so on.

With such a small budget, it is going to be difficult for small and medium sized businesses in the Abitibi area to find funding in order to diversify their production since they depend mainly on mining and forestry as a source of funds for regional development. It is urgent to establish secondary industries in the region, which will result in more jobs, lower unemployment insurance expenses and, therefore, lower government expenditures and higher revenues.

The facts speak for themselves. Given the new orientation, the $1.6 million investment by FORD–Q in a tourism project in Val–d'Or will be the last one of this size. I do hope that with respect to the recommendations of the Standing Committee on Industry, budgets will be sufficient to stimulate all small and medium–sized businesses, without any discrimination.

To conclude, I would like to quote Mr. Alain Garneau, president of the Northwest Quebec prospectors association, Val–d'Or sector. It should be noted that, in our community, mining is one of the most important economic sectors. He said: "—most jobs are created by small and medium–sized businesses. They train most of the people employed in their own sector. They are economically and socially extremely important, a fact which is unfortunately too often forgotten by our governments—".

**The 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 Gaspé—Fisheries; the hon. member for Calgary Southeast—CRTC; the hon. member for Davenport—Law of the Sea.

[*English*]

**Mrs. Terrana:** Mr. Speaker, apparently one of my colleagues in the opposition would like to speak first. He has an emergency. I would not mind letting him go first.

• (1705)

**The Deputy Speaker:** A most courteous act by one of our members in favour of the hon. member for Prince George—Bulkley Valley. Then we will switch back.

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, I do wish to extend my appreciation to the hon. member for letting me speak. I am going to split my time with the hon. member for Fraser Valley West. I will take 10 minutes.

We are talking about small business today. That is something that I am not totally unfamiliar with, having spent a number of years in small business, most of my life actually. I have come face to face with almost every single problem that small business today and over the last 25 or 30 years could ever face. I am happy to say that I was able to meet those challenges in most cases.

Although I agree with the report from the committee in many respects, I think it is important today that I spend some time talking about the difficulties and the attitudes of small business if for no other reason than to try and put it again in front of the government and again in front of the banking industry, if it happens to be listening today, so that some of the challenges that small businesses face is driven home to them as well the important role that small business plays in the economy of Canada.

Most people probably believe that it is Esso, IBM, General Motors and the other mega companies that we all so familiar with that are the engine that drives the economy in this country. These same people would probably be of the opinion that it is these large corporations, these mega companies, that employ the majority of the people in this country. This is truly not the case. In fact the opinion that these mega companies drive the economy and hire the most people in the country is very far removed from reality.

The truth is that the economic health of this country depends on small business. It is the small businesses with less than 20 employees that create new jobs, create new growth in the country, and create growth in the economy and opportunities for Canadian workers.

Given the importance of the role that small business plays in the economy of this country it is surprising, as highlighted in the report from the Standing Committee on Industry, to see again the numerous obstacles and challenges that small business must continue to deal with in order to simply do business in this country, obstacles established by government and by the banking industry in this country.

I hope today that the banking community and the government will take note of what is being said here today as well as the contents of the report in the interest of the health and welfare of the country, the survival and growth of small business in this country, and the future well–being of Canada.

In 1990 small business employed some 4.2 million people in Canada. That is out of a total of 12 million people who are working in this country. Small business was responsible for 80 per cent of all new jobs created between 1977 and 1987 and it continues. Small business continues to be the lifeblood of the Canadian economy.

The government is truly aware of these numbers. It has displayed its understanding of the importance of the role that small business plays in the country. As a matter of fact, the red ink book devotes quite a few pages to extolling the virtues of small business in Canada and some of the challenges and impediments that small business faces.

• (1710)

The budget promised a small business review, the purpose of which would be to determine how government can help these smaller firms succeed. It recognized in the budget that the tax burden, paper burden, lack of financing and lack of access to government information and programs were all issues that needed to be addressed by this government in relation to small business.

During the G–7 in Naples on July 9 all countries agreed that it was important to focus on removing the challenges and the impediments to small and medium sized business. It was important to the lifeblood of the economies of all the countries that participated in that conference.

In short, the government is certainly well aware of the importance of small business and the various difficulties it encounters. The government knows about small business according to the report from the industry committee. It is reminded of it every night as well during the required reading of the red ink book and is reminded of small business importance when attending international economic conferences.

Beyond trips to Naples, beyond the red ink book rhetoric, beyond the issuance of this report, what has the government done to assist this vital sector of the economy? We have had lots of talk, lots of words and lots of promises. In fact, what has been accomplished in the year since this government took office to help small business is almost absolutely nothing.

I spoke earlier about some of the things the government could do to encourage the banking industry, the big six that controls the banking community in this country. They control all the financing for small business. I spoke of some things they can do. Make no mistake about it, until the government puts a hammer to the heads of the big six that control all the money and tells them they are going to have to start paying attention to small business in a real way, nothing is going to happen in the area of financing for small business.

That is one thing the government can do. It does not have to wait for two or three years. It can do it almost immediately. It is the government. It controls the regulations that govern the banking industry in Canada. That is something it can do right away.

In the government's last budget it created another impediment when it increased the taxes on all medium sized business that had at least $15 million in capital. We are not talking about small business in this group, but there are many small businesses that benefit from medium sized businesses having this kind of capital and this kind of revenue. It increased the taxes on that particular sector of medium sized business.

Now the Minister of Finance in his new work entitled "A new framework for economic policy" is of the opinion, and this is surprising, that income taxes and payroll taxes distort economic behaviour and stunt economic growth.

All he had to do was walk downtown and talk to a few small businesses and he would have got this in a moment without having to spend a lot of time pondering it. It is not a trade secret in the small business community that taxes hurt.

Nowhere are taxes more abundant than on small and medium sized businesses. This is the major deterrent to economic growth of small businesses and expansion and job creation. They have income tax, payroll tax, capital tax, sales tax, property tax, and who knows what other taxes.

If we take the ratio of taxes levied on a business in relation to the income of the business we find that small businesses are saddled with 30 per cent more taxes in comparison with larger firms. Payroll and local taxes hit small businesses particularly hard. They carry up to 44 per cent of the tax burden in this area while the megafirms carry some 28 per cent or less.

• (1715)

I just want to sum up now by saying that I stated in this House before that the biggest thing this government can do to help private sector job creation, to help private sector growth in the economy is get out of the pockets of business. In particular, that applies to small and medium size business. They are the lifeblood of the Canadian economy.

That is the area that the Minister of Finance and the Minister of Industry can look at if they want the economy to grow. That is the area they should be looking at if they want to reach that magical 3 per cent deficit to GDP. That is the area they can look at to help small and medium size businesses. One place they

have to concentrate is lowering the tax levels and getting on the backs of the big financial institutions.

**Mr. David Iftody (Provencher, Lib.):** Mr. Speaker, I am pleased to rise in the House today to debate and discuss the report of the Standing Committee on Industry on small business, taking care of business.

All members on that committee worked very hard to produce what has been called by the *Financial Post* a mini task force report because of its depth. Considerable thought was given to the precise nature of the recommendations. It is heartening to hear helpful suggestions from members on the other side of the House with respect to the contents of the report.

I would like to mention a couple of things with respect to what is happening in this country in terms of job growth and economic growth, let us say since January. We can use that as a timeframe. There were 327,000 new jobs created, most of those in the manufacturing sector which, as the House will know, are long term jobs. Only 11,000 of those are considered part time jobs.

I would like to share with members on the other side of the House that the most recent economic indicators on a number of different fronts suggest that business confidence is at a record high, profits are up, expectations for hiring are also on the rise. The retail industry in this country is expecting the greatest volume of retail sales this Christmas. The reason is that consumers are now buying cars, microwaves and refrigerators and so on, what are considered the soft market items or the confidence items in the economy.

This government has set a framework to give confidence to small businesses that are now producing the jobs, a confidence that we need in this country.

I would like to speak briefly about my riding in Manitoba, the rural riding of Provencher, and the importance of small business to rural Manitobans and to rural people across Canada. Because of the farming communities I represent which provide the lifeblood of small business and economic activity in rural areas, a number of small businesses have sprung up around those. One of the larger communities I represent, Steinbach, has done tremendous things working closely with the farm community and has developed a number of leading Canadian companies, taking off from basic family businesses. Small business is an important element in rural Canada and something we ought to continue to support.

Earlier a member from the Reform Party mentioned his concerns about the use by small business of the instrument called western economic development. I believe it was a member from Edmonton. I would remind him and the House about a number of projects that were funded in Alberta, almost 800 since 1988 until 1992 or thereabouts. In Alberta 800 projects in Alberta were funded under the western economic development program, a number of them in Edmonton.

• (1720)

I noticed one recently with great interest with the Edmonton Chamber of Commerce where it received about $17,500 under western economic diversification to undertake a symposium with business people in Alberta to seek ways it might access Asian Pacific markets and assist its small businesses. I do believe that we are making a contribution, a very valuable one, even in Alberta.

Let me speak briefly about one of the other questions that was raised here earlier with respect to women in small business. In my riding of Provencher I have had a great number of calls and interest by women starting small businesses. We have to give this idea considerable thought.

Between 1990 and 1994 during the recession the majority of companies that were created were what we call micro–businesses. In other words, they are not really small businesses defined as less than 50 employees but those creating two, three, or maybe five or six jobs in a small community. We found that women, working usually out of their homes, joining with some other partners, are starting these small cottage industries that are moving toward greater possibilities in terms of growth.

We have seen in the most difficult times the contribution that they have made to the Canadian economy. I was very pleased therefore when my colleague, the hon. Minister of Human Resources Development, announced through western diversification the women's business network instrument which we believe is going to be very helpful in terms of assisting women, and I hope rural women in western Canada, to access and network resources.

I say this because it comes back to one of the principal elements of this report. Canadians, small business people in particular and I believe even more so women, having faced these difficulties are having difficulty getting access to capital. We believe that through a number of these government programs, through the implementation of the recommendations in this report, we are going to be able to provide those kinds of financial tools to individuals and small business people so that they can get these companies up and running.

With respect to the banks I know it has been debated extensively here today. The media has given this topic a great deal of coverage over the last few months. This is not an exercise in bank bashing. I believe all members of Parliament who were sitting on the committee approached it with integrity and good faith and were honestly seeking solutions. We took it with great interest and respect when the banks said to us that they did not want to be regulated. They wanted competition and they were not afraid of competition.

I found it quite surprising that when we announced the suggestion of a schedule III bank to provide more competition outside of the larger cities in the rural areas the Canadian Banker's Association said that it would vigorously oppose these kinds of measures, and its concern about depositors' investments.

I hasten to remind those who perhaps do not know when we are talking about small businesses that they create 85 per cent or 90 per cent of the jobs in the country. If the banks are concerned about depositors' money, who is it on the 15th and 30th of every month who go to the bank with they pay cheques? Who are the depositors? It does not take a lot of thinking to quickly conclude that those depositors the banks are trying to protect are people working for small businesses in this country.

We have to have a closer look at that. We are willing to work with the banks in a very constructive way to address the needs of small business. It is very disconcerting to hear that they are criticizing some of the elements of the report.

One of the things that I wanted to mention in my final minute is the most recent deal in China with the CANDU reactors involving some $3.6 billion and the export of high tech and value added jobs in this country. I wish to advise the House that the majority of those contracts once successful are going to go to hundreds of high tech companies that will export in terms of services and direct sales their capabilities to this China deal.

I thank the government and the Prime Minister for taking leadership in that role, for undertaking those memorandums of understanding on those deals. I believe it is going to help small business all over Canada.

• (1725)

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, it is a pleasure to talk about taking care of small business.

One of the things I want to concentrate on here in my 10 minutes in speaking about what I think small business needs in this country is government involvement in small business. I am going to select for my example ACOA, the Atlantic Canada Opportunities Agency, which the government is up to its arm pits in donations, grants and subsidies on.

We all know there has been a shift in political ideals in recent years. The government now talks about a fiscally responsible way of operating business, how to cut dollars and how to operate efficiently which is a good change for this government. However, I think when you look at where this government has come from from a sociological point of view, you only have to look at what Michael Thomas once said, just because you have been bad at socialism doesn't mean you will be good at capitalism. That fits well in my mind with this particular government because I do not think this government has a real good idea of what capitalism really is. I am going to demonstrate that by talking about ACOA.

The Business Council of British Columbia has recently issued a report on cutting the deficit. The business council gave all kinds of suggestions on how the government might be able to do that. One of the suggestions it made was to phase out all three regional development agencies.

I know there was some talk here earlier about regional economic development programs but it is relative today to talk about that in the line with small business. The relevance is we have our hands into small business in two ways. We tax them to death and we create a terrible inequity between small business. Why do we do that? On the one hand we give some grants and subsidies. Note that it is non–taxable, just a gift. It is like winning the Lotto 6/49. The competitor down the street has to borrow money to try to get some kind of capital back into his business or if they want expansion they have to borrow money. ACOA comes along in many cases in Atlantic Canada and just issues a cheque.

I have done a lot of talking to some of the recipients of ACOA grants in Atlantic Canada. We have also had some discussions with ACOA. I want to give members an idea of some of the grants that come out of this operation, not to mention the fact that the management of ACOA is well known for its spending habits. I really do not have to get into that because that is known all across Canada.

Let us just take a look at some of the grants that are given to small business in Atlantic Canada. For instance, Cynthia Billard in Newfoundland received $37,105 to construct two housekeeping units. That is a gift from the taxpayers of this country. I somehow think that if somebody came knocking at my door in Fraser Valley West, British Columbia and asked if I would like to give Cynthia Billard some money toward building two housekeeping units out of my taxes, my answer would be no. You do what the other people do when they want to expand on their housekeeping units. They borrow money or they save their money through profits from using their other units and they allow the expansion that way. We do not give money to some and not to others. It creates a terrible imbalance in small business.

I will run through a lot more of these grants. This government is quite well known for giving grants around the country.

• (1730)

Let's take Mr. Stedman Brophy. He advertised in hunting magazines and attended trade shows. He was given $5,000. Congratulations. They have given $5,000 of taxpayers' money away. How did that benefit the other people in the same line of business? It does not.

**Mr. Mills (Broadview—Greenwood):** Did the hon. member ask him?

**Mr. White (Fraser Valley West):** The question I am asked by one of the Liberal members is: did I ask him. I really do not have to ask him. He is not going to complain. This individual is not going to complain. He got $5,000 tax free from this generous Liberal government.

What about the people in similar industries down the street who did not get any of that money? They went to the bank and borrowed money, or saved money to produce a similar exercise. Is it the idea of this Liberal government to perhaps try to cover everybody in Atlantic Canada that is in business and try to get everybody at the trough all the way along the line.

**Mr. Mifflin:** Did you tell them that when you were campaigning in St. John's West?

**Mr. White (Fraser Valley West):** Mr. Speaker, let us look at a couple more. I invite the Liberal members here and all the people watching and listening to see if they would spend their tax money this way.

**Mr. Mills (Broadview—Greenwood):** Irrelevant.

**Mr. White (Fraser Valley West):** Let's talk about Ducky's Homebrew in Newfoundland that got $15,816 tax free, I might add with no pay back, risk free, to establish a facility to produce home brew beer kits.

**Mr. Mills (Broadview—Greenwood):** What is wrong with that?

**Mr. White (Fraser Valley West):** Again, one of the Liberal members asks: "What is wrong?" What is wrong is this. In my community one of these home brew small businesses just started up as a matter of fact. The fellow saved his money, he was telling me, for something like 10 years in another business. He sold that one off. Now he is trying to establish another one. He did not get Lotto 649–type grants from the government. He did not get money from the taxpayer. He saved his money and he borrowed some more money. What is wrong with that?

Let's go to some more. Gerald's Machine Shop Limited, to purchase a computerized milling machine received $70,552. What about the other machine shops? What will be done for the other machine shops? How does small business get competitive in this world when one machine shop gets a grant, not repayable, and not the other? How does small business survive doing that? How does it stay competitive? The government has to get out of the business of handing those cash cows out to some and not others.

Let's talk about some other folks who want to establish a restaurant and bakery that got $48,000. Another person in Newfoundland got $63,560 to upgrade hotel rooms and housekeeping units

**Mr. Mills (Broadview—Greenwood):** Why is the member picking on Newfoundland?

**Mr. White (Fraser Valley West):** The question was: why am I picking on Newfoundland. I am not. I am going to go through all of the provinces of Atlantic Canada. I am going to go through all of them.

Why would we upgrade hotel rooms and housekeeping units for one person and not all the others?

Let's talk about some bigger bucks, about Maynard Limited in Newfoundland. They received $363,000 to expand existing facilities by adding a dining room. Is that the right thing to do? Is it fair to all the other organizations in the province, in the country for that matter, who want to expand their dining rooms? What kind of mentality is this? How much money did we give to Newfoundlanders? There were 344 contracts in Newfoundland. We gave $19,906,166 taxpayer dollars to some and not to others. Justify to me the logic in that.

**Mr. Mills (Broadview—Greenwood):** They are all businesses.

**Mr. Harper (Calgary West):** Check what party they donated to.

**Mr. White (Fraser Valley West):** The suggestion is to check the party to which they donated. I am sure there are a lot of political hacks because we know this party likes their patronage so that would be obvious.

Let's skip Newfoundland then and go to P.E.I. In P.E.I. Broadview Properties Incorporated got to modernize their motel by upgrading furniture and equipment, et cetera, for $74,000.

• (1735)

Members opposite do not like what they hear. They do not like the fact that we are talking about taking care of business. The way the government takes care of business and creates equality in business is to give tax free money to some and not to others. The government's problem is that it has no idea how to be competitive. Competition to this government means giving to some and not to others. It is who you know.

In Nova Scotia 559 contracts were issued since November 4, 1993 for $27,721,000 to some and not to others. In New Brunswick, 617 contracts for $35 million were issued.

How is equity created between competing small businesses by giving to some and not to others? Your book may say a lot. It does say a lot. There are positive things in the book but you do not have what it takes to be capitalists.

**Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I was listening very intently to the debate on this excellent report. Being on House duty I was listening in the lobby with great interest. I was very impressed with the quality of the speeches and decided to come into the House and hear them firsthand.

I must say I felt a certain amount of disappointment when I arrived because all of a sudden the presentations stopped being about this excellent report. I am sitting here in my seat and I cannot really believe what I am hearing. A responsible member of Parliament is getting up and complaining about a system that supports Atlantic Canada and he states that the people from his area would not support it.

I have a comment and a question. I am very seldom partisan but I have to say I find it very difficult to understand how the hon. member intends to go to Newfoundland after that speech to campaign on his support for ACOA and for regional development in Newfoundland. I suggest he frame this speech and turn around in reverse and never show it to anybody when he goes down looking for votes in Newfoundland.

He is suggesting that ACOA is made up of a group of imbeciles that just willy–nilly give out money to some businesses and not to others. He is totally wrong. I am telling him that the vice–president of ACOA, Gordon Slade, happens to be one of the finest civil servants in the country. He is a very responsible person. He is very selective in what he does. When there is competition the ACOA grant is not given.

My comment to the individual is that ACOA management does not work that way. It is much more responsible, much more selective.

My question to him is: What is his alternative? What would he rather do?

**Mr. White (Fraser Valley West):** I just love it when they sanctimoniously get up on the other side, Mr. Speaker. They do not like to hear the truth.

The comment was that Gordon Slade is selective—

**Mr. Mifflin:** On a point of order, Mr. Speaker, is sanctimonious a parliamentary word?

**The Deputy Speaker:** With respect, there is a dictionary on the table. I think if that word is not a parliamentary word then I do not know what word would be parliamentary.

**Mr. White (Fraser Valley West):** Yes, I think it has more than eight characters in it, Mr. Speaker.

The comment was that Gordon Slade is selective in the grants that come out of ACOA. I would suggest that is very likely the truth of the matter. That is the problem.

• (1740)

It does not take a brain surgeon to go through any list to see that the selection of the grants in ACOA are made on an inequitable basis. There are all kinds of similar industries in Atlantic Canada. And not just in Atlantic Canada, but in Ontario, in western Canada. They do not get money although taxpayers right across the country pays into it.

Where does the government get the right to select the taxpayers' money and pay it to whomever it wants on its basis? It is selective all right. It is a selective procedure but it is unfair to all those who do not get it. The answer is to get out of regional development grants, get out of ACOA.

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, first of all I would like to say that the Liberal Party was voted into government. That is where we get our strength to do what we are doing and also get back to being a little more positive.

[*Translation*]

I am pleased to rise in this House today to speak to the motion on small business. My riding of Vancouver East contains many small businesses. Our proximity to the Asia–Pacific region makes us major players in negotiations with Asia and South America.

Team Canada's trip to the Orient led by the Right Hon. Prime Minister generated a great deal of interest and enthusiasm. Small businesses do not have the resources required to negotiate directly with China but, with governmental assistance, they can create many jobs for Canada, as they have done for several years.

Last May, I had the privilege of participating in a trade mission to Beijing together with over 100 small and medium–sized business owners. I learned a lot during this trip; I realized in particular that small and medium sized businesses cannot operate alone. They need help. Canada has much to offer to the world in terms of skills and resources, but we must sell our potential. Trips to foreign countries are extremely important to ensure our country's well–being and to let the world know all that Canada has to offer, including solid, honest and capable business people. In short, we must learn to become more aggressive.

[*English*]

Canada is a trading nation. The challenge is to transfer Canada from a nation dependent on trade into a true trading nation with a much larger role being played by small business.

Having said that, I would like to discuss the export sector of our country. Facing global competition has become the sine qua non of any serious business plan. The best way to find out if your company is truly competitive is to tackle the export challenge.

The arithmetic is simple. In the global market for many niche products and services, Canada often accounts for only 1 per cent or so of global consumption. Companies that do not export are often ignoring literally 99 per cent of their potential customers.

The process of exporting successfully though is somewhat difficult, particularly for small companies who have never even dreamed they would have to enter global markets. The vast majority of companies has to take to exporting one step at a

time, pausing at each step to seek advice and information about what lies ahead.

The owners of small businesses always emphasize that they are in the market for information about market opportunities and how to exploit them. Canada's trade commissioners can help to achieve this goal. The trade commissioner service has 100 years of experience in opening doors to foreign markets. It knows the ropes and can help exporters deal with the challenges of complex foreign environments.

The government is in the business of offering all kinds of guidance to exporters, particularly to the small and medium sized companies that need help most.

For example, the focus of Canada's program in support of fairs and missions has shifted to smaller businesses. Then there are the programs to provide hands–on training to new exporters to the United States border states, Mexico and Europe.

• (1745)

WIN Exports, the Department of Foreign Affairs and International Trade's electronic databank of Canadian firms capable of taking on export challenges, as well as its market intelligence and information program, is also being enhanced to better meet the needs of small businesses seeking niche markets worldwide.

The efforts of the Department of Foreign Affairs and International Trade are to assist exporters start right at the beginning, when the decision to export is first being examined by entrepreneurs.

To that end government officials work closely with the Forum for International Trade Training. The Forum for International Trade Training philosophy is that to compete successfully in world markets, a company that wants to export has to act like a long distance runner who trains for a marathon. To help out, the Forum for International Trade Training provides a wide range of services which can be customized to the skill and experience levels of participants. This year the program is operating in 30 community colleges across Canada with some 1,000 students registered.

FITT is a major undertaking, patterned after the government–business training vehicles that have long been in operation in Germany and Japan. As such, FITT has received federal and provincial government funding along with the support of business associations, including the Canadian Chamber of Commerce, the Canadian Exporters Association and the Canadian Manufacturers' Association.

As significant as these developments are, we can still do better. We cannot rest on our laurels.

Over the last months the Minister for International Trade has been listening to what Canadians have had to say through meetings with small and medium enterprises across Canada as well as a number of other venues. The message conveyed was consistent and clear; do less but do what you already do better. Government is being told that there are too many programs being run by too many players.

In response to demands by the private sector, our government has already taken some preliminary steps which will benefit the business community as a whole but, more important, will also benefit small business.

For example, because of their size, small businesses often do not have the resources to find international trade leads. Accordingly, we are undertaking a number of improvements to the way we collect and disseminate market intelligence and market information. We have put into place an electronic bulletin board service that allows exporters access to the latest international market information by a personal computer and a modem.

We are also developing a market intelligence messaging system for broadcast faxing of trade opportunities. Furthermore, small businesses often complain about the plethora of government programs and are confused by what different levels of government are responsible for when it comes to international trade. This government is therefore undertaking a second set of measures to provide greater cohesion and focus to the support role played by governments.

There is a need for better co–ordination of international business development activity among both federal departments and the provinces.

Accordingly, this year's International Trade Business Plan will include the input and international business activities of all provinces, as well as 18 federal departments and agencies that are already part of the process.

In addition, in conjunction with the provinces and a number of federal government departments, this government is undertaking a new initiative called Trade Team Canada. We are looking to optimize services to clients by co–ordinating the delivery of international business development activities among various levels of government. We intend to move ahead promptly by setting up pilot projects in co–operation with those provinces that have already shown an interest in the idea.

In conclusion, the initiatives that I have been describing are based on a co–operative approach of the kind we need to mobilize Canada's export potential and in particular the potential of our small and medium sized businesses.

Our government is making a conscious effort to consult extensively with our clients. We promised that and we are doing that. I do not think we should just go to our next door neighbours to consult but we should call all of Canada to consult with us and tell us what they want.

Our government is making a conscious effort to consult extensively with our clients, the people of Canada who run our small businesses. I wish to assure the House that we will continue to seek ways to work together with the business community so it can meet the challenges and opportunities of an expanding world market. We will not stop trying until the world beats a path to the door of Canadian small and medium sized businesses.

• (1750)

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, I listened intently to the previous speaker's great commendations about the government's role in helping small business. One thing that strikes me as being rather opposite to the whole idea of government trying to help small business is the fact that the national debt accounts for over $38,000 for every taxpayer in this country. Of course small business people are taxpayers. Not only are they taxpayers for themselves but they create employment that generates all other kinds of taxpayers as well.

I think about how small business has to labour under the heavy taxation caused by the national debt. This government has continued to increase the national debt, to increase the amount of burden that is being put on every taxpayer, including small business. How would the member expect these business people to compete in the international marketplace as she is saying they should, could and will when in fact the best thing that could happen to small business would be if the federal government were to reduce or eliminate the deficit and take the cost of this overburdening national debt off the backs of small business?

What better place could the member suggest that we start after listening to the member for Fraser Valley West who said that this government seems to not just pick winners and losers but to pick individual people and say: "Here is some money that is tax free". He quoted all kinds of statistics and actual numbers about individual people or businesses getting specific amounts of money, $300,000 here, $75,000 there and so on.

If the previous speaker is serious about this government helping all small businesses, would she recommend that her party and the government that she supports get out of this selective subsidization and grants to small businesses in various parts of the country in order to reduce the overburden on small businesses and allow them to complete?

**Mrs. Terrana:** Mr. Speaker, first of all I want to remind my hon. colleague that we were elected to do what we are doing, to create an atmosphere, and not to cut our deficit in three years or our debt in five. We were elected to do what we are doing.

Second, the approach is very simplistic. We have been in government for one year. We have done a lot of things. We listen to people. They tell us what we should do. We have been hearing them. We listened and we heard.

We are trying to put into place what we have heard. In the meantime we are taking care of the deficit as we promised.

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, I would like to ask the hon. member who just spoke just exactly what would be the manner in which business could actually get into a true competitive environment without government interference so that we would not have all this subsidization, so that indeed business could compete in its own right and so that it could do the kinds of things that business was intended to do without subsidization and interference by government to give advantage to some business over and against another business.

**Mrs. Terrana:** Mr. Speaker, I went to some of the hearings. Of course, there are those people who say: "Don't give any subsidies". Some people say: "We need the subsidies".

We will slowly get there. Canada is a big country with a few people and a lot of regional disparities. We eventually will get there. We will eventually find a way to let businesses prosper on their own. There are more and more doing that. I am hopeful. I am a positive person.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, the member in answering a question by my colleague commented that what he is suggesting, that government not subsidize business, is simplistic. If indeed government or civil servants are trying to pick winners, trying to determine how they are going to direct subsidies when there are many people competing in the same business, how are they going to wisely choose the businesses to give money to, if that is not being simplistic?

• (1755)

**Mrs. Terrana:** Mr. Speaker, this has been the system until now. Of course, as I said, we are looking into it and we are trying to get rid of it.

We have to remember the disparities in this country. We have to create some kind of an atmosphere all over Canada that brings in the money and the jobs that are necessary to survive. This has been there all along and it is something that we have to cure.

**Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.):** Mr. Speaker, I am pleased to address this motion to take note of the second report of the Standing Committee on Industry entitled "Taking Care of Small Business".

The committee report contains a thoughtful analysis of the financing problems small businesses face and provides a series of extensive and helpful recommendations on the financing issue. The committee is to be congratulated for its hard work and its excellent report.

In a similar vein, I would like to formally acknowledge the work of the federal Ontario Liberal caucus task force which has also made valuable recommendations on financing for small businesses.

All members of this House are aware of the great importance of small business to the Canadian economy. In fact the government is carrying out a wide ranging small business policy review of which the report will form a very important and integral part.

However, I am particularly interested in the recommendations as they relate to the growth of knowledge based, high tech firms. Both these reports have suggested ways in which the banks could better respond to the financing needs of small and medium size businesses. It is encouraging, as both reports have pointed out. Canada's banks themselves are also aware of the need to do more to assist in the development, growth and stability of Canada's small businesses.

In today's business climate, banking needs are evolving rapidly as are the demands on business itself. The pace of technological change is accelerating while the product cycles are shortening. Flexibility and capacity to adapt and respond quickly to changing market conditions are more important than ever before. These are some of the things that small businesses tend to do best.

It is encouraging to see the beginnings of change in the banking culture. As important as it is to match banking practices with the demands of today's marketplace, that is only one piece of the puzzle. If any one single area is critical to the success of Canadian business in general and small and medium size businesses in particular, it is technology.

In one sense, technology is an investment issue for many small firms since access to financing is often required to be able to utilize technology. Over and above financing considerations however, technology itself is key to the ability of small businesses to compete and thrive in the global marketplace. The whole area of technology presents a critical challenge to Canadian small businesses. For the Canadian economy to prosper this is a challenge we must meet.

Small businesses created 87 per cent of all new jobs in the decade from 1979 to 1989. In the first six months of this year small businesses have created over 80 per cent of the net new jobs created in Canada. Since last year's election this government has presided over an economy that has created in excess of 320,000 new jobs. This is good news for all Canadians.

Yet, there are specific areas where the performance of Canadian small business could improve and innovation, research and development and the use of technology are among them. Canadian companies, especially smaller firms, fall behind their foreign counterparts in a wide range of industries when it comes to protecting advancements in a number of technologies important to Canada. Among the OECD countries, Canada's share of international patents is lower than the population would warrant. Many small businesses are slow to innovate or to apply technology to improve competitiveness. Small businesses may lack the time or resources to become well informed about technological change or its implications for what they do.

• (1800)

They might not even recognize that solving a particular problem or taking the advantage of a market opportunity might depend on technology. Too few small businesses have the expertise or the capacity to absorb the ideas in technology that can mean success if adopted or failure if neglected.

Businesses increasingly compete on their abilities to innovate in product development, marketing production, distribution, after sales service and internal administration. A rapidly changing innovative business environment helps create jobs by attracting and retaining international investment.

The government is well aware of the special problems that small businesses face when it comes to technology and is committed to helping business resolve them. One of the most interesting and revealing approaches we have taken was a study designed to find out what makes growing small businesses successful. The strategies for success report is a joint product of Industry Canada and Statistics Canada. It provides an analysis of growing small and medium size enterprises in Canada. It examines the reason for the success of groups of firms that grew rapidly in the 1980s and provides entrepreneurs with the clues they need to see how they can do the same.

The report focuses on the tactics used by small firms to make themselves successful and how to implement these strategies. For example, the more successful firms place greater emphasis on their ability to adopt technology and research and develop capabilities.

These companies focus on developing new technology, refining the technology of others and improving their own technology. Successful firms were generally more innovative. A large proportion of them, 30 per cent, attributed success to an R and D based innovation strategy. An even larger proportion, 55 per cent, reported having successfully introduced innovation.

The lessons of the strategies for success report are clear but those lessons will remain theoretical unless they can actually be put into practice on the shop floor or during a service call or in the laboratory. That is why the government is implementing a number of important practical programs to help small business take advantage of the technology it needs to succeed.

In August, for example, the government announced the Canadian technology network to deliver solutions to technological problems through an integrated package of business services. The Canadian technology network will help small and medium size businesses acquire, adapt, commercialize and manage new

and complex technologies in partnership with the Canadian research community.

The CTN is in effect a major consulting service which will be available to businesses of every size. It will provide firms with rapid and effective access to data, intelligence and services from across Canada and from foreign sources. It will build upon the current network of the National Research Council's industrial research assistance program, IRAP. The program's 260 industrial technology advisers draw upon the work of a host of organizations across Canada, including provincial research organizations, universities and colleges, industrial associations and other professional bodies.

The CTN will give the small business community easy access to the broad array of technology, services, skills and expertise offered by IRAP, together with other business related services through an integrated electronic network.

The work of the CTN is nicely complemented by the activities of another partnership in which the federal government is playing a leading role. This is the Canadian network for the advancement of research industry and education, CANARIE.

CANARIE is a joint project by the government and over 140 private and public participants. CANARIE is a cost sharing research and development program to develop the next generation of networking technologies, products and applications. It will also help create a network to test and showcase advanced technology.

CANARIE will facilitate access to and use of the information highway by Canadian business. It is working to upgrade CA*net, the Canadian branch of Internet. Essentially the information highway is going to be a private sector project. Business is doing most of the building and most of the investing but government has a part to play as well.

• (1805)

It must help to write the highway traffic code. In other words, make sure the highway develops to meet the needs of all Canadians in all regions and in all sectors. This is why the government has set up the information highway advisory council comprised of 30 Canadians. The members of this council have been given a year to set up a fairly broad set of questions to answer, all aimed at recommending how the government can speed up the development of information highway services.

As Canadian businesses strive to innovate and make the best use of technology that can help to compete, a very important resource it can use is the Canadian intellectual property office. Within CIPO one can find a gold mine of innovation. For example, in the patents office there are 1.3 million Canadian patents. In addition, the patents office contains millions of foreign patent documents including 5.5 million U.S. patents.

Small businesses can use the information available through the patent office to keep abreast of technological innovations and to avoid investing R and D dollars in projects that have already been explored. Patents can provide state of the art information on particular technologies. They can indicate which technologies are ready for development or which ones are viable but unprotected. They can help business anticipate, identify and respond to foreign competition or to launch a new product.

The practical value of this information is directly related to the ease with which it can be accessed. The patent information exploration program can provide research for the information and patent documents about technologies, about competitors, about patents which have expired and can now be exploited.

Eventually in the not too distant future information from the trademark office as well will soon be available from electronic databases using vehicles such as the information highway.

Small businesses and individual innovators will be able to do so from their own stations. The automation of CIPO databases will contribute to developing and marketing new products and technologies.

In my remarks today I have covered a wide range of topics relevant to small business from financing to technology, from the information highway to the use of patents. In all of these areas the federal government is doing things that are important, that will help small and medium size firms to take advantage of new and emerging technologies that are so essential to business growth.

The work of the standing committee and of the Ontario caucus will undoubtedly help to shape and improve the course of these future policies. So too will the report of the small business working committee which will report soon.

Technology and financing are ultimately linked, intimately linked and are key to the growth of an innovative small business sector in Canada. The small business community is central to our jobs and growth strategy. Helping it optimize the flexibility that its size gives it is a key element to our agenda for small business.

With the support of this House and the other governments across this country small and innovative firms will continue to create the highly skilled jobs Canadians all across this country need.

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, I listened with interest to the previous member's speech. Unfortunately I find it is full of the same general platitudes of how well small business can do and how competitive it is. I asked the same question of the previous speaker as I did once before. How do we

expect small business to be competitive in this international environment when it is loaded down with $38,000, each and every one of them, of federal debt that has to be paid through higher taxes and so on?

The member for Fraser Valley East talked about the fact that this government is picking individual people and handing them all kinds of tax dollars, tax free at the same time. Everybody else has to pick up the cost for these things. How does he justify these two items when he is saying that small business is so competitive and should get on with the business of creating jobs?

Would it not be far better to stop this nonsense of being selective and giving money to individual firms and individual people? Would it not be better also that we get rid of this deficit and this burgeoning national debt that is dragging small business down under the water?

• (1810)

**Mr. Kirkby:** Mr. Speaker, one thing this government has done very successfully is adopt its election platform, carry it through and do what it said it was going to do.

I recall in the red book it indicated that we would be reducing our annual deficit as a percentage of the GDP to 3 per cent. Mark my words, this government through program review and through a number of initiatives has gone a long way in doing what it said it would do.

I think in the budget over the next few years when we are dealing with our expenditure problems we will be moving in that direction. We are going to meet that target. We will be dealing with the deficit. I hope when people react to the types of budgets we will be bringing forward the Reform Party will be proud to say it did it twice as fast as we did.

With respect to the success of western diversification and ACOA, I know these have been picked on mercilessly today by members of the Reform Party. We were also elected to enhance and encourage regional development right across this country. We have to utilize the wealth of this nation to make sure people all across this country have access to economic opportunity.

We will do likewise with the deficit. We will do what we said we would do by utilizing these agencies to properly and intelligently promote regional and economic development. I know the Reform Party would like to leave the impression that somehow money is handed out willy–nilly. Such is not the case. The people who manage these, whether it is western diversification or ACOA in the Atlantic provinces, are extremely capable, qualified individuals who select business propositions on grounds of merit. Over the years we have seen a tremendous number of successes come out of these types of operations.

As I have indicated, this government will do what it said it would do. We are going to reduce the deficit and we are going to enhance our regional economies by the sensible spending of the taxpayers' dollars.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, the hon. member opposite talked about how the people who manage the regional diversification programs such as western economic diversification are very good at choosing businesses based on merit.

I would just like to ask the hon. member specifically what merit. If they are choosing businesses based on merit, why do these businesses need special treatment compared with their competitors?

I would like the hon. member opposite to give me some examples of businesses that have received money under these programs and demonstrate clearly to me first that it was fair to give them money when not giving competitors money. Second, how is merit determined?

**Mr. Kirkby:** Mr. Speaker, I noticed the members of the party opposite are not keen on questions about merit. I can see why.

With respect to the issue of merit, obviously these projects are chosen on the basis of those which are likely to succeed as in the case of western diversification. They are not picked when there are competitors in the marketplace. They are picked when there is innovation or something new which is not done in the region in which it is proposed. This is the type of thing that I know western diversification picks. Probably ACOA has the same rules, to pick subjects and projects which are meritorious, which have an excellent chance of success, which will aid the diversification of an economy that too often has been based on a single or a narrow group of industries.

• (1815)

This is the type of progress our country needs. We are doing it and we are making things happen. I know that the hon. member will be grateful when he looks at the job statistics and sees how many new jobs are created all across the country by a government that is doing what it said it was going to do.

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, it is a pleasure to participate in the debate today on taking care of small business.

A few years ago the previous government loaded on small business one of the biggest paper burdens we have seen in many a long year, which was the introduction of the goods and services tax. It turned every small business person into a tax collector.

The government said it was going to get rid of the GST and now a year later we are still waiting. Last February the Minister of Finance introduced his budget and took away the capital gains exemption. I wonder what that is doing for small business. He

reduced the small business tax exemption, which caused good and prosperous small businesses to pay more taxes. I wonder if that is what they mean by taking care of business.

The first responsibility of government to small business and the millions it employs is to create an economic climate that is conducive to economic growth and expansion. This growth and expansion will lead to prosperity for the risk takers, jobs for the employees, create new opportunities for the unemployed, provide economic stability for Canadians and their families, and create new and novel businesses and economic opportunities.

We have to get the government off the people's backs. We have to give incentive and opportunity for small businesses to see opportunities, take advantage of these opportunities where they can go forward, put their money where their mouths are, take the risk, take the gamble, go forward and win without the federal government either taxing them to death or providing tax free money to the competition and shooting them down at every opportunity.

What are the ingredients for this economic climate? Surely it is a federal government that both preaches and practises fiscal responsibility. We expect small business to practise and preach fiscal responsibility, look after its credit and be able to repay its loans, otherwise we are not going to give them money.

The federal government talks about fiscal responsibility but has yet to deliver on anything regarding fiscal responsibility. It had a very weak and timid objective to reduce the deficit to $25 billion per annum. By the Minister of Finance's own admission he is going to miss that target, yet he has done nothing to bring the government back into line with its own estimates and targets. Government spending must be significantly reduced to restore order to our fiscal house and to provide some confidence to small business.

Once government spending is brought under control and the budget is balanced, the benefits for Canadians, including small business people, will be a stable fiscal environment in which they can plan for the future, grow, develop, create employment and reduce the unemployment costs to the country. We could also then look forward to a reduction in the exorbitant levels of taxation that funds the voracious and excessive appetite of government spending.

When the Auditor General tabled his report earlier this year, he said that hard choices lie ahead.

• (1820)

The federal portion of the national debt today is $538,000,181,919.99 according to the number I have. The debt, as I mentioned before, per taxpayer which includes every small business person who is also a taxpayer, is $38,287. The federal debt per capita is $18,920. As small business people go around the world trying to compete, to sell their product, they have to build into the price of that product the cost of the high taxes that pay for the interest on the debt.

The Auditor General stated in his 1993 report that hard choices have to be made to deal with the problem of the debt. The hard choice is between the continued growth of the debt or stop digging a bigger debt hole, as we said during the last election. The hard choice is between continued excessive overspending or practising fiscal responsibility and prudence. The hard choice is between continued high levels of taxation, with the possibility of even higher taxes and new taxes to fund the debt or hopefully the prospect of tax relief by restoring order to the federal government's fiscal house.

If we do not make these hard choices and go with what we have been doing before, we can guarantee that taxes will continue to go up. We can guarantee that our interest rates will remain high as we try and bring in more and more money every month to just pay the groceries, so to speak, of the federal government. The dollar will have to be maintained up so that foreign lenders to us will continue to lend money to Canada.

Therefore, we expect small business and business in general to compete around the world as it worries about high taxes because of the national debt, high interest rates because of the current fiscal situation, a high dollar on the international money markets because of our situation. We still expect them to compete.

Is that what we call taking care of business? I hope not. I hope that the federal government would see its way to changing the policies and dramatically reducing the spending. In that way we can expect small businesses to play their part, create the jobs, create the environment where there are more people paying taxes and collecting taxes and bring our whole fiscal situation under control.

Unfortunately we have had nothing but paper from the government. A year ago it introduced a red book which stated that the GST would go. The finance committee sat for months and months and produced a report that is now on the shelf. The government cannot move from the report to action. We are still waiting for any kind of action on a report that was tabled months ago and promised a year ago. There has been no action.

The Minister of Human Resources Development tabled a paper several weeks ago. He now says we have a problem but that he does not have any plan whatsoever to try and fix it.

The Minister of Finance tabled a couple of papers recently in which he stated: "We have a problem in this country but I don't have any idea how we were going to fix it. Let's go out there and see if somebody else has an idea". Now we have a report titled "Taking Care of Small Business" from the Standing Committee on Industry. I sincerely hope that this is not another one that is just going to go on the shelf and that is the end of it.

The time has come to act. Let us take a look at some of the statistics. In 1990, 97.2 per cent of all registered businesses in Canada had fewer than 50 employees; 52 per cent of Canadians employed in the private sector are employed by businesses with fewer than 100 employees; and 45 per cent of Canadians are employed in businesses with fewer than 50 employees. Therefore, there is no question whatsoever that small business is the engine that drives the Canadian economy. It has to be protected, encouraged, enhanced. It has to be competitive. They are the ones we depend upon to generate the taxes that we spend on our social programs.

• (1825)

I urge the government to stop the endless production of paper and let us see some action. Let us see it create a climate that fosters economic growth and prosperity rather than just picking a few winners and handing them all kinds of cash. Let us see a climate of reduced government spending, a balanced budget and tax relief. These are concrete suggestions. Good government solutions must be found and implemented to address the long term concerns and issues facing the small business community rather than giving them short term, quick fix and politically expedient measures.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have a question for the hon. member. I found it quite extraordinary that in his speech he listed a series of things the government had done which he claimed hurt small business. Some of them may have; some of them may not have. Some of them may in fact help small business. He listed all these as arising out of the last budget.

Then he made the most extraordinary statement, having gone through a fairly comprehensive list that the government had done nothing during its term of office to do anything about anything and that all it had done was study. If it has done nothing, why did he come up with a list at the beginning of things the government had done?

The inconsistency was quite extraordinary. I do not know whether the hon. member reviewed the remarks he was going to make in advance and picked up this illogical inconsistency or not. But it was quite obvious to those of us sitting here that he was talking through his hat for the second half of his speech at least. It cast serious doubt on the statements he made in the first half of his speech when he listed the government's many accomplishments and then decided the government had done nothing and that all we were doing were studies.

He knows perfectly well the government has done a lot more than study. He knows the government has produced these studies with a view to taking action. Part of the study process involves consultation with Canadians which he knows the government believes is in the best interests of the country so the views of Canadians can be solicited before the government takes decisions that sometimes are going to be painful or unpleasant.

Surely he agrees that is the right approach. Surely he agrees that the speech he just made is utter nonsense.

**Mr. Williams:** Mr. Speaker, I do take exception to the hon. member's remarks. The point is that this government has yet to prove it can move beyond taking reports and put them into action. That was the whole point of my speech.

We have had the GST study. My goodness, my colleagues on the finance committee were meeting for months, sometimes three times a day. They produced a big report months ago and we have not seen anything. That was the end of it. I mentioned that the Minister of Human Resources Development produced a report which said: "We have a problem in this country but do not ask me for solutions. What do you think?" The Minister of Finance tabled two reports in two consecutive days which basically said the same thing: "We have a problem in this country but I am not offering any solutions".

Surely the government's job is to offer solutions. The solution we are offering is less taxation and less government. Stop picking winners and giving them all kinds of cash and expecting small business and business in general to try and compete under the heavy load of high taxes, a high dollar and high interest rates. They are trying to compete in the international marketplace to create jobs and some employment here, to create some wealth in this country yet we continue to tax them as if they were sponges with endless amounts of cash.

That whole idea is past. The day has come when there is no more money for small business to pay. Therefore before small business goes bankrupt we now find that this government is bankrupt of ideas. For the past number of months we have done nothing except some house cleaning from the previous government: the restructuring of this department, the restructuring of that department and the amalgamation of some other departments. These things were produced by the previous Prime Minister. This government has been in power for more than a year now and we are still doing house cleaning from the previous government. When are we going to get some serious action and decisions?

• (1830)

**The Deputy Speaker:** The time for this debate has expired.

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## ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

*Adjournment Debate*

FISHERIES

**Mr. Yvan Bernier (Gaspé, BQ):** The issue I wish to bring to the attention of this House this evening, Mr. Speaker, is one I raised three weeks ago regarding the Gaspé Cure Inc. consortium and the problem it is faced with.

I would like to inform this House of what Gaspé Cure is and what problem it is faced with. Gaspé Cure is a grouping, as the name consortium indicates, of five processing operations dealing in salted dried codfish. This consortium employs approximately 250 people.

Last spring, in a contest sponsored by the Quebec agri–food export club and Soquia, Gaspé Cure won the highest award of excellence. With respect to what Gaspé Cure is, I wanted to add that this consortium used to include at least eight processing operations four or five years ago. but following some form of industrial rationalization, there are only five remaining today.

I want to emphasize that these people are trying to maintain their trademark, as well as working on improving their visibility world–wide and their efficiency in terms of production. The problem now, and it has grown in the last two years, is that other companies in other regions of Canada, in the Maritimes, have started to produce what we in the Gaspé call an imitation product.

There is a difference between the two products. Why? Because the process in the Gaspé takes into account our humidity, our climate, the number of days of sunshine, which give us a particular micro–climate for the type of production that we want to have.

The dried salted product may be less well known in Canada and to Canadian consumers. Nevertheless, you should know that it is highly prized in some countries and eaten in ceremonies or at big festivals, as in Portugal or Spain, for example.

For this reason, the market and image of the Gaspé Cure consortium are very important for them.

I am being signaled to speed up a little; indeed, I am not really used to speaking under Standing Order 38. What I am asking the government, because I know that it is supposed to have done studies to come to a conclusion, is that it recognize right away that after all the studies are done, the Gaspé Cure consortium will have its own restricted trade name for the region.

It is very important for them. In the past, they showed that there was a glaring difference between their product and the one made elsewhere, so we want this issue to be cleared up as soon as possible.

[*English*]

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, the designation of Gaspé cured has appeared in the federal fish inspection regulations for many years.

The current regulations permit the labelling of any saltfish as Gaspé cured provided that the fish meet the specific quality characteristics of Gaspé cured, light salted fish. It is recognized that there is a long tradition in the Gaspé region associated with the production of this unique type of salted fish.

• (1835)

In an effort to address the concerns of the Gaspé saltfish producers, the inspection branch of the Department of Fisheries and Oceans has consulted with the saltfish industry and has made considerable effort over the past few months to develop both sensory and chemical criteria which will more precisely define Gaspé cured. It is expected that this work will be completed by December 1.

The Department of Fisheries and Oceans will then meet again with the saltfish industry to review this issue and finalize the standard for Canadian saltfish products by early 1995.

Once the standard has been completed, the Department of Fisheries and Oceans will implement a comprehensive training program for all inspectors involved in the inspection of saltfish in Atlantic Canada. The combination of a finalized, written product standard, specific chemical and sensory criteria and uniform application of the standard by inspectors will create a regulatory environment which will be fair for all producers of saltfish cod in Canada.

CRTC

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, the Minister of Canadian Heritage made an error. He regrets his intervention to the CRTC on behalf of one of his constituents. He admits that his decision to write this letter was imprudent.

My question to the Minister of Canadian Heritage on October 28 raised a number of issues I wanted to clarify as they related to the minister's mistake. I wanted to clarify how the mistake occurred, how to prevent such an event from reoccurring, how to address the damage done and how to restore the lost credibility of the CRTC.

In his response, the minister suggested that I did not understand. He stated that his letter was not an intervention. This is not true. The facts are clear and simple.

On March 15 the minister wrote a letter to the CRTC on behalf of a constituent. On March 29 the minister received a response from the CRTC. Its response made it unequivocally clear that the minister's letter was received by the CRTC, stamped as an intervention and included in the Daniilidis application as a letter of intervention. The secretary general of the CRTC has concurred with these facts as they have been presented thus far. They are indisputable.

Further, the Prime Minister stated that the Minister of Canadian Heritage had made an error in judgment, that the letter was an intervention and he too wished the minister had not written the letter.

The sad fact is it is not I who is confused but the minister himself. Mr. Daniilidis, the CRTC, the Prime Minister, the cabinet ministers also named, the opposition and the Canadian public all know the minister intervened. The question is not if he intervened but why and how does he plan to clean up the mess he created.

When the CRTC wrote back to the minister on March 29 it was clear that the letter was understood to be an intervention. The minister stated that he moved quickly to remove this understanding.

The minister took no action for 199 days. Is this what he calls quick action? This complacency and inaction is exactly why Canadians have lost faith in politicians. Only when this issue became news was the minister stirred to react. The facts are that his actions belie his rhetoric.

This scandal has served as a lightning rod for all Canadians tired of lying politicians, tired of coverups and tired of repressive rhetoric. Errors like this one should not be tolerated.

As my questions to the minister continued, I focused on the issue of influence peddling. I asked about the influence of the letter of intervention on the application process. The minister, contrary to fact, denied that his letter was an intervention. As well, he chose not to address the issue of the damage he had caused to the credibility of the CRTC.

My office has been in contact with Mr. Daniilidis and some of the interveners in the process and everyone is concerned with the negative influence brought about by the minister's meddling. The minister's letter of intervention was received by the subcommittee prior to its rejection of the CHOM application. The subcommittee membership for the CHOM and the Daniilidis applications had overlapping membership. Given that the minister's letter supported the Daniilidis application prior to the CHOM rejection and given that the committee membership was the same, it is clear that the minister's letter had some influence.

However, once this whole affair became public, once the question of potential influence was posed, the CRTC had no choice but to reject the Daniilidis application.

The minister has an obligation to rebuild the credibility of the application process. He has an obligation to rebuild the credibility of the CRTC. He has an obligation to remove the blemish on his ministry. It is a long, long climb especially for a ministry weakened by such gross incompetence.

• (1840)

**Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.):** Mr. Speaker, I was informed that the question the member for Calgary Southeast wanted to refer to was the one she brought up on October 24th. My response is with regard to that question.

**The Deputy Speaker:** The note for today, if it will be of assistance to both hon. members, reads October 28, 1994, which is the list that I was given. There may have been a miscommunication. Do the members wish to put this off to another day? This will not count on anybody's time.

**Mrs. Brown (Calgary Southeast):** Mr. Speaker, it was addressed to the issue of the question raised on October 28. However, if the hon. member would be prepared to give a response in general to the action of the minister, I would be satisfied with that.

**Ms. Whelan:** Mr. Speaker, I am not prepared to respond to the question of October 28. I am prepared to respond to the question of October 24. I apologize but that is the information I was given. If the hon. member would like, I can talk in general about October 24.

**The Deputy Speaker:** We can put the matter over to deal with on another occasion or have the parliamentary secretary speak to it. As the hon. parliamentary secretary has indicated, she can reply in very general terms to the specific remarks of the hon. member. I think it is up to the hon. member for Calgary Southeast as to which she prefers.

**Mrs. Brown (Calgary Southeast):** Mr. Speaker, I would prefer a response this evening.

**Ms. Whelan:** Mr. Speaker, my response is with regard to the CRTC and with regard to the fact that the Government of Canada did not intervene in the activities regarding RDI. That is what I am prepared to respond to tonight, that the CBC's application to authorize a specialized Canadian—

**Mrs. Brown (Calgary Southeast):** Mr. Speaker, this is clearly way off base. It has had nothing to do with RDI. In deference to this confusion and to the hon. member, we will put it off for this evening.

**The Deputy Speaker:** I am reminded that there are no points of order to be raised during this period. In any event that is agreeable to both members.

## LAW OF THE SEA

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, some 12 days ago I asked the Minister of Foreign Affairs for the date when Canada will ratify the law of the sea. It is most important that Canada take steps to ratify this comprehensive and overdue piece of international law.

The law of the sea is designed to protect the world's fisheries and to stop the pollution of the oceans. It contains the idea that ocean resources belong to humanity and that all of humanity is entitled to share in their benefits and use.

Canada signed this law some 12 years ago. It was one of the first nations to sign it. However, it has yet to ratify it, which is the second step required. The law of the sea will come into effect, into force so to say, in two days, on November 16, 1994. Sixty countries have now ratified it and that is the number required to get the convention working.

Of the 60 nations that have ratified it all but two, Iceland and Malta, are developing countries. It is therefore necessary to make the point that to be truly effective this legislation or this law should have universal support, including that of the major developed countries and marine powers. There is no doubt about that.

Being one of the first countries which signed the law of the sea, it puts Canada in an advantageous position because it could play a role in setting up the institutions which will enforce this particular convention. It is our hope therefore that Canada will have the possibility to appoint a Canadian judge to the law of the sea tribunal and also have a seat on the council of this decision making international body.

Apparently the reason Canada is so late is that there were concerns about some particular provisions including deep seabed mining which somehow echo the policies we also heard in Washington. It is my understanding these issues have now been resolved, including the main concerns to ensure that Canadian law is compatible with the convention.

In conclusion, as I said Canada was one of the most ardent promoters of the law of the sea convention. It is a great pity to see Canada somehow reluctantly joining the world community instead of being among the 60 signatories required to get the convention going. It seems to me that Canada would be very well served by ratifying this convention. This is a landmark piece of international negotiation in international law.

Tonight I am asking our distinguished parliamentary secretary to confirm that Canada will ratify the law of the sea convention before the end of the year.

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, I compliment the hon. member for Davenport on being such a strong advocate of the need to achieve universal convention to govern all uses of the sea.

Canada participated actively in the negotiation of the law of the sea convention and signed it in December 1982. Our involvement in the convention stems from three basic principles: our general support for rule of law and multilateral processes; our extensive coastline and substantial continental shelf; and a desire for stable ocean law and additional rights for coastal states concerning fisheries, navigation, pollution prevention and the mineral resources of the continental shelf.

Along with other industrialized states Canada did not ratify the convention due to concerns, as the hon. member said, regarding its provisions on deep seabed mining. After four years of negotiations these concerns were resolved. An agreement was adopted by the United Nations on July 28 and signed by Canada the very next day.

Canada has already been applying most of the provisions of the convention in practice as along with other countries we believe they reflect the customary law of the sea. We are now reviewing our domestic legislation to make certain it is in conformity with the provisions of the convention. This must be done before ratification to avoid any inconsistency with the convention.

We hope the hon. member's support for ratification of the convention will aid in the rapid passage of any amending legislation that may be brought forward.

I want to assure the hon. member for Davenport who has taken such a leadership role in this issue that the government intends to ratify the law of the sea as soon as possible.

**The Deputy Speaker:** Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.48 p.m.)

# HOUSE OF COMMONS

**Tuesday, November 15, 1994**

The House met at 10 a.m.

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*Prayers*

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[*English*]

## POINTS OF ORDER

QUESTION PERIOD

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, I rise today because like you I was concerned about reports in the press which gave the impression that I had accused you of favouritism with respect to one particular party in the House vis–à–vis question period. I want to make it absolutely clear for the record that I have not done that.

I continue to be concerned, as you well know, Mr. Speaker, about question period and the role of my party in it. However at no time have I suggested that Your Honour had any bias toward any particular party in this Chamber. I want to make that absolutely clear.

**The Speaker:** I thank the hon. member for Winnipeg Transcona for his courtesy. As a veteran parliamentarian it is all the more important that this type of thing be clarified at the earliest opportunity.

As far as I and the House are concerned with regard to the hon. member for Winnipeg Transcona I consider this matter to be closed. I thank him very much for his statement.

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# ROUTINE PROCEEDINGS

[*English*]

## GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 22 petitions.

[*Translation*]

## DEPARTMENT OF LABOUR ACT

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ)** moved for leave to introduce Bill C–287, an act to amend the Department of Labour Act (eligibility for assistance for long–service employees).

• (1010)

He said: Mr. Speaker, I want to point out that the aim of this bill, which I am introducing for the second time, is to amend the Program for Older Worker Adjustment or POWA, in particular as regards the eligibility of Montreal workers who are terribly discriminated against in the sense that in case of a layoff, a firm has to dismiss 100 employees at the same time for its workers to qualify for assistance, which does not fit the Montreal industrial fabric. I hope this bill will have the support of the House.

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

* * *

[*English*]

## PETITIONS

ASSISTED SUICIDE

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, I rise today to present a petition on behalf of 40 Calgarians who pray and call on Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and make no changes in the law which would sanction the aiding or abetting of suicide or active or passive euthanasia.

As debate on this issue continues to increase, I call on all members of Parliament to send information to their constituents that is representative of both sides of the argument.

HUMAN RIGHTS

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, I have the honour to table a petition containing 52 signatures which was forwarded to me by constituents of my riding of Cambridge.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality.

*Supply*

## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, if Question No. 47 could be made an Order for Return, this return would be tabled immediately.

**The Speaker:** Is it the pleasure of the House that Question No. 47 be deemed to have been made an Order for Return?

**Some hon. members:** Agreed.

[*Text*]

Question No. 47—**Mr. Scott:**

What is the list, what is the total amount and what is the amount spent on each social function attended and each trip undertaken by each Deputy Minister for the fiscal years 1991, 1992 and 1993?

Return tabled.

[*English*]

**Mr. Milliken:** Mr. Speaker, I ask all remaining questions be allowed to stand.

**The Speaker:** Shall the remaining questions stand?

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*Translation*]

## SUPPLY

ALLOTED DAY—RAILWAYS

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ)** moved:

That this House condemn the government's lack of action and transparency with respect to the proposed restructuring of Canada's rail system, the gradual abandonment of regional services by CN, CP and VIA, especially in Quebec, and the government's lack of vision with respect to high-speed trains.

He said: Mr. Speaker, I thank you for having read before the House the motion on railway transportation that I have the honour of introducing.

As you have already mentioned, I want the House, in other words the hon. members, to condemn the Liberal governments's lack of action and transparency with respect to the proposed restructuring of Canada's rail system. I also wish to condemn the gradual abandonment of regional services by CN, CP and VIA Rail, especially in Quebec, and I want to stress the government's lack of vision with respect to high-speed trains.

After the last war, people came to believe that mass transportation in rich societies like that of Quebec would eventually be abandoned and replaced by cars and trucks. Railway transportation gradually collapsed while billions of dollars went into building a complex highway network.

• (1015)

During that period, Europe and Asia upgraded their railway transportation networks, which came to play a fundamental role in their economic development. Europe in particular relied heavily on its train network as a public means of transportation.

Railway transportation plays a fundamental role in the Canadian transportation system. The most important contribution of railways to the Canadian transportation network is, without a doubt, in the natural resources sector. In 1993, according to the National Transportation Agency, bulk products like potash, wheat, coal, lumber, newsprint, etc. accounted for about 54 per cent of the traffic on all railway lines, down about 2 per cent from the previous year, 1992. That shows to what extent railway companies are dependent on raw materials.

At the intermodal level, rail–road transportation is the most important, followed by rail–road–water transportation. Intermodal transportation is an important and growing part of traffic for CN and CP. In 1993, this traffic increased by 8 per cent for both companies. It amounted to 6.2 million tonnes for CN and 5.4 million tonnes for CP.

In 1993, it was the third most important area for both CN and CP. This explains why the two companies are investing heavily in this sector. For example, CN built the St. Clair tunnel between Sarnia and Port Huron, and CP upgraded the western tunnels on its line.

In the last few years, CN and CP have entered into large contracts with intermodal or trucking companies. CN in particular signed a deal with CSX, an American firm, for the transportation of truck trailers between Canada and the American midwest and southeast regions. CP did the same with Gilford Transportation. Intermodal transport has the highest growth potential for railway companies.

For Canadian railways, competition comes mainly from two sectors: trucking and railway transportation through the US. Trucking is heavily subsidized by the government since truckers do not have to pay for the building and maintenance of the roadway. As railway companies must develop and maintain their own network, truckers have an important advantage over railway companies.

CN and CP have repeatedly complained about the inequity of the fiscal treatment in Canada and in the United States. It would seem that because of the diesel tax and the various real estate taxes they must pay on lands crossed by the railway, their tax

burden is heavier than that of their American competitors, which causes Canadian carriers to be non–competitive. CP estimated the tax burden on railway companies to be 48 per cent higher in Canada than in the United States.

We know that the financial situation of both CN and CP is far from brilliant. We know that both companies are unable to generate sufficient operating revenues to post net profits. As a matter of fact, since 1988, CN has posted a profit only once, in 1989; in 1992, the company lost around $900 million. It is encouraging to note that since the beginning of 1994, CN has posted a profit of around $200 million. However, it is not enough to produce an acceptable return on investment.

For its part, since 1988, CP has lost money only in 1991 and 1992, but its profits are also quite inadequate to produce an acceptable return on investment.

Moreover, in Canada, since 1987, railway companies have been experiencing a drop in return on investment; it was only 3 per cent in 1992. This situation is of great concern since American carriers have experienced an increase in return on investment from 4.9 per cent, in 1987, to 7.2 per cent, in 1992.

If railway companies are not able to generate sufficient profits, it is obvious that they will be unable to invest enough money to maintain and improve their network.

I will now say a few words about traffic. In 1993, total railway traffic amounted to 238.9 million tonnes, an increase of 1.1 million compared to 1992.

• (1020)

Again according to the National Transportation Agency, CN accounted for 39.6 per cent of domestic rail traffic and CP had a 33.1 per cent share, leaving 27.3 per cent for regional companies.

As for the workforce, we know that in 1985, CN and CP Rail had 77,960 employees. By 1993, this number had fallen to 48,841. The same year, the total payroll of both companies was $2.7 billion or 49 per cent of their $5.5 billion operating costs. Then CN implemented a plan to streamline its workforce. From 32,392 the number of workers went down to 22,395. Some 2,096 people work at company headquarters in Montreal. In all, close to 6,800 people work for CN in Quebec.

Nowhere in the world does the passenger railway service really break even. It is a public service as are the road system, the school bus system, the St. Lawrence Seaway, the coast guard, the armed forces and others. I could go on and on.

Canada had established a respectable railway system that was acclaimed in all European countries. Canada would never have developed like it did if our two coasts on the Atlantic and the Pacific had not been connected by the railroad. Other countries go on operating and developing their passenger service even if it is not cost–effective because it is beneficial in other ways.

Take the way it relieves traffic congestion on highways. Also, in remote areas, for instance in Abitibi, in the Gaspé Peninsula, in Saguenay—Lac–Saint–Jean, passenger rail service is essential in order to compensate for the shortfalls of the education system, the lack of cegeps and universities, and also the lack of specialized health care. We cannot picture someone from the Gaspé paying approximately $600 to fly to Montreal for medical treatment, much less riding in a bus for 22 hours. A train with the new technology could replace these methods of transportation, and do so economically.

It must be borne in mind that the train, using the new technologies as is done in Europe, almost completely eliminates pollution. Even with the existing technology, trains produce far less pollution than do cars or buses.

As you know, Mr. Speaker, cutting passenger rail links in the suburbs of major cites and outlying regions will just send the traffic back to the roads and shift the expenditures from the federal government to the provinces. The Canadian industry is obviously interested in maintaining passenger transportation at home, given that it has developed technology that it is exporting abroad.

The saying "No man is a prophet in his own country" certainly applies to Bombardier, which exports its technology. The success of TGV in France is a case in point.

The abandonment of passenger lines seems imminent on certain Quebec lines, such as Jonquière—Montréal, the Chaleur line, Gaspé—Montréal, Montréal—Senneterre, Senneterre—Cochrane, in Ontario and Montréal—Saint John, in New Brunswick, and Halifax.

As this House knows, the abandonment of passenger services is not subject to the National Transportation Act. In any event, some of my colleagues will have an opportunity to come back to this.

Finally, a number of jobs at CN and VIA headquarters in Montreal have been transferred to Campbellton, which just happens to be in the Minister of Transport's riding. I am sure this is no accident. Several jobs have also been transferred from Montreal to Winnipeg. In addition, the riding is represented in this House by the Minister of Human Resources Development. I am sure this is also pure coincidence, unless the intention was to thank the minister for trying to sell us the social security reform. But then again, as you know, this is only speculation going round in the halls of the House of Commons and such rumour is entirely without foundation. The government is much too transparent to contemplate such things, is it not?

As you know, several applications to abandon rail lines are presently before the National Transportation Agency. Applications to the agency are almost automatically approved and, in most cases, without public hearings. Take the Murray Bay line

that runs through my beautiful riding of Beauport—Montmorency—Orléans, for instance. In that case, the constituency asked to be heard by the National Transportation Agency. Their request was also denied and the Murray Bay line was sold without the people most directly concerned having been heard.

• (1025)

My colleagues will have the opportunity to come back to the issue of rail abandonment in their remarks. We know that railways are an economic development tool. Let me give you an example of economic development for the small municipality of Port–Daniel, in the Gaspe Peninsula, which borders on two ridings: Bonaventure—Îles–de–la–Madeleine and Gaspé. There is a chance that the municipality could land a contract with Arab countries interested in establishing a cement factory.

While 18 per cent of the population is unemployed in the Gaspe Peninsula and 39,4 per cent in Port–Daniel, here is a chance to create 400 new jobs. However, the municipality must meet two preconditions set by the Arab promoters: it must have a seaport and a railroad. What would happen if the railroad between Gaspé and Montreal were to disappear? Well, the cement factory project would fall through and the unemployment rate would remain high in the municipality. The 400 people who would have found work in the factory would remain on UI or welfare and the taxpayers would have to foot the bill. That is the kind of horror story caused by decision makers with no medium or long–term vision.

It is easy to make the case that a service is unprofitable based on figures alone. But before drawing hasty conclusions, we must be sure we have all the facts. Moreover, it is a well–established fact that when the times are hard, every job category, from the company president all the way down to the workers, must do its share. Mr. Speaker, do you think that CN employees are happy to have accepted cutbacks in their working conditions when they leaf through certain magazines and read things such as what I will now mention?

Canadian National allegedly gave its president, Paul Tellier, a $432,000 no–interest loan to buy a house, of which $300,000 came from CN Rail and $132,000 from SRS or Supplemental Retirement Security. This loan was not guaranteed by a mortgage so that this deal would not be made public. In return, the president signed an interim note and increased his individual life insurance by $300,000 payable to CN Rail to guarantee his loan. Worse yet, while a $432,000 loan was allegedly made, the house, according to our information, was assessed at $283,000.

This same president made Canadian National pay for the part of the retirement plan payable by him, which amounts to $14,000 a year. Yet, CN pays its president, Paul Tellier, an annual salary of $345,000 plus expenses. After pointing out these horrors, I would like to get back to other issues of capital importance to Quebecers and Canadians, whenever decisions concerning railways have to be made.

My colleagues will have the opportunity to revisit the issue of the environment, of energy consumption by trains. They will have an opportunity to speak to you about high–speed trains, a project which would put Canada on the map of high–speed rail transportation in North America, a market estimated at $200 billion. Nonetheless, the current Liberal government prefers to sink billions of dollars into projects like Hibernia, whose profitability is doubtful.

Mr. Speaker, my time is running out. My colleagues will have the opportunity to get back to the whole approach on short–line railways. The rationalization of railways must continue, but the government must allow these short–line railways to operate the secondary network. Canadians and Quebecers must also be informed of an issue of national interest, namely the cavalier attitude of the government, which excluded the Official Opposition and the third party from the commercialization review of the largest Crown corporation, CN. That is totally unacceptable.

It is inconceivable that the government would consider major decisions affecting railways without first consulting Canadians and allowing elected parliamentarians to participate in decision–making. We must condemn the government's carelessness and lack of vision in the area of rail transportation. All Quebecers and Canadians must be asked to boycott the task force on CN commercialization since it is composed of eight Liberal MPs and one Liberal senator and excludes members from the Bloc Quebecois and the Reform Party.

• (1030)

With this membership, the committee will have total control over calling the witnesses it wants and being told what it wants to hear.

[*English*]

Furthermore, all Quebecers and Canadians must be asked to boycott the task force on CN commercialization since it is composed of eight Liberal MPs and one Liberal senator and excludes members from the Bloc Quebecois and Reform Party. With this composition the committee will have total control over calling the witnesses it wants and being told what it wants to hear.

[*Translation*]

In closing, I wish to inform the House of Commons that the government's current actions and policies regarding railways only gives ammunition to the Bloc Quebecois and the Parti Quebecois for the upcoming referendum. The more the federal government cuts services to the population, the more Quebecers will ask themselves what they are getting in return for the $28 billion in taxes they pay Ottawa every year.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I will take this opportunity, but not to put federalism on trial, because after all Canada has contributed to Quebec's economic development. We have a specific example of that with Mr. Chrétien's visit to Asia. I will not get off the topic, except to say that I find it very strange to hear the opposition member say that this government is doing nothing for rail transportation.

I would like to ask him this question: Where was the present leader of the opposition when he was a minister in the Conservative government and on October 4, 1989, the Conservative government, with Lucien Bouchard as Minister of the Environment in the Mulroney Cabinet, announced cuts of 50 per cent in VIA Rail's services across the country?

I think that we should use today not to put federalism and federal transportation policy on trial but rather to call the Leader of the Opposition to account for what he did then. He was there and he cut the north shore Montreal—Trois-Rivières—Quebec City service, for example. Lucien Bouchard was also party to the decision to cut the Montreal—Ottawa—Sudbury—Winnipeg—Calgary—Vancouver service known as the Canadian. Lucien Bouchard was there when the night service from Montreal to Toronto was cut. Lucien Bouchard was there when the Winnipeg—Capreol service was cut.

**The Speaker:** I would prefer that the hon. member refer to him as the Leader of the Opposition or the member for Lac-Saint-Jean, if possible, instead of by name.

**Mr. Gagnon:** Yes. Excuse me, Mr. Speaker. You are right.

I just wanted to show that the last government is the one that cut services across Canada. It cut the service in my region of Gaspé from seven days a week to three. However, we are the ones who decided to restore rail service, but I ask the opposition to admit that their leader was party to a major decision to slash VIA Rail's services throughout Canada. I think that the Leader of the Opposition should be good enough to appear before us here to explain his actions to members of this House, Canadians and Quebecers. He should say, "I cut VIA Rail's services because I no longer believed in it."

I ask his opposition critic to tell me why Mr. Bouchard—excuse me, the Leader of the Opposition; I apologize, Mr. Speaker—who claims to be the great defender of Quebecers cut so many services, up to 50 per cent, throughout Canada in 1989.

**Mr. Guimond:** Mr. Speaker, we are used to hearing such comments from the hon. member for Bonaventure—Îles-de-la-Madeleine. He should know however that no one, no minister, no hon. member sitting on the front benches will ever do what the Leader of the Opposition did in May 1990. This man, who now leads the Opposition, resigned. You, Mr. Minister of Transport, even less than anybody else—

• (1035)

**Mr. Young:** Oh yes, go ahead.

**The Speaker:** Dear colleagues, I would ask you once again to address your remarks to the Chair.

**Mr. Young:** He also resigned when he was an ambassador.

**Mr. Guimond:** Mr. Speaker, could you please inform the Liberal members and ministers that the Leader of the Opposition left the Conservative Party to stick to his principles, and he acted in a manner no one, certainly not the hon. member for Bonaventure—Îles-de-la-Madeleine, no minister in this Parliament will ever act. He acted on his principles and, because of that, he is beyond reproach.

A moment ago, the hon. member for Bonaventure—Îles-de-la-Madeleine was asking where the Leader of the Opposition was, but, Mr. Speaker, allow me to ask this of the hon. member for Bonaventure—Îles-de-la-Madeleine. Where were you last April during the public hearings organized in Gaspé by Cynthia Paterson of Rural Dignity of Gaspésie? Where were you during these hearings when 50 briefs were received from the people of Gaspé? Where were you?

**The Speaker:** Once again, I remind hon. members that they must always address their remarks to the Chair. I am always here. I will be with you all day.

**Mr. Gagnon:** Mr. Speaker, I was certainly not in Paris. I point out to the hon. member that, in 1989, the current Leader of the Opposition was then a minister in the previous government and he made his decisions known. I too was not a member of Parliament back then. I was elected in 1993. I think I can say that voters in my riding of Bonaventure—Îles-de-la-Madeleine, in the Gaspe Peninsula, are unanimous to say that their MP is the number one promoter of the region's development and interests, and that includes CN and VIA Rail. Indeed, we are the ones who reinstated the service and made savings, and we are also the ones who will guarantee the provision of that service. Separating Quebec from the rest of Canada will not guarantee CN's future, nor an adequate service for the regions.

When the opposition talks about the future and, for example, the high speed train, it never says anything about remote regions. What about those regions? I am not the one who has to take the criticism because I am not the minister. I am just a private member. However, I certainly hope that I represent my constituents with dignity and I want some answers. Quebecers want to know why Mr. Bouchard was involved in the decision to cut 50 per cent of the rail service in Quebec. We want answers.

Instead of criticizing the member for Bonaventure—Îles–de–la–Madeleine, you should ask that question to your leader.

**Mr. Guimond:** Mr. Speaker, I was not referring to events which occurred in 1989, before the member for Bonaventure—Îles–de–la–Madeleine became an MP. I want to know where the member was when, in April 1994, we heard 50 submissions from Gaspe residents, from the local community service centres, from the Regroupement des Caisses populaires and from various other stakeholders. This is called the boomerang effect. Remember the old saying: People in glass houses should not throw stones. This is all I had to say.

**Mr. Gagnon:** Mr. Speaker, I made VIA Rail and the need to maintain this service the focus of my election campaign. I urge the opposition to carefully look over what was said during that campaign. I can assure you that I consulted the workers and all the people in my community well before the Bloc Quebecois came up with the idea that it should hold an information session in the Gaspé area. If you read the letters sent to the Minister of Transport and the local newspapers' reports about the involvement of the member for Bonaventure—Îles–de–la–Madeleine and the attention he pays to this issue, you will see that I was several months ahead of the opposition.

• (1040)

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, first of all, I want to point out a common error made by partisan members who get carried away by their enthusiasm. With all due respect for the hon. member for Restigouche—Chaleur, I want to tell the hon. member for Beauport—Montmorency—Orléans that the city of Campbellton, in New Brunswick, is not in my riding. I know that, as soon as he can, he will rise in this House and apologize for his allegations concerning employees being transferred in Campbellton, New Brunswick.

The member probably does not know the difference and has not checked the facts, because he would know that Campbellton, which is in the riding of Restigouche—Chaleur, is a CN centre where some 1,000 employees used to work. The Minister of Transport represents the constituents of Acadie—Bathurst. I am convinced the hon. member will do what is expected of him in this House and rise and apologize.

Sometimes, when a member makes a speech on a very emotional issue, like the future of the rail system, VIA Rail, and so on, he or she can mislead the House, albeit inadvertently. The member is not doing so out of spite, but simply because of a lack of knowledge. This is why I am pretty sure the hon. member will recognize that his statements about the CN transferring jobs to my riding are totally untrue.

Naturally, when there is a debate and the transport critic for the Opposition gets involved, it is very difficult. Often times, either he does not remember the facts or he has not done his homework adequately, which makes things very difficult for us because we have to discuss the facts once in a while.

Today's motion refers to a lack of transparency. As you know, Mr. Speaker, ten days ago, I was in Winnipeg where we talked of transparency, integrity and clearness and, concerning the vast debate surrounding the referendum to be held in Quebec, we wondered, for example, if the Bloc Quebecois is representing the independence or separation option, and again an hon. member of the Bloc Quebecois who was there tried to ram the sovereignty issue down our throat.

In speaking of transparency, integrity and honesty, one has to refer to the facts, use the proper words and make statements that one is ready to stand up for. One cannot rise in this House and use a debate like this one to make up all kinds of stories based on nothing at all.

That is why I thought we could hold a debate on the national vision of Canada which is supported by the Bloc Quebecois concerning the rail system, be it for CN, CP or VIA Rail. It would have been interesting to hear our friend, the critic for the Bloc Quebecois, explain what kind of integrated system across Canada, what kind of national system for all Canadians from sea to sea to sea they contemplate for this country. It would have been very interesting for Quebecers and Canadians to have an opportunity to see exactly what kind of system these people want for Canada, not only in the context of today's debate, but five, ten or 15 years down the road.

[*English*]

One of the tragic things about this kind of debate is that for all kinds of reasons having nothing to do with an efficient and an effective transportation system, the hon. member and members of the opposition, the Bloc Quebecois, enter into a debate on national institutions, on the national transportation system as it relates to rail, but with one objective. That objective is to sow as much discord as they can and to misrepresent what is actually taking place for example in the restructuring of CN.

• (1045 )

As I have said, it is abhorrent that a member would come to the House in a debate that they put forward in terms of their motion, make an allegation and not correct it when I gave him the opportunity to do so as he was sitting in his place. The hon. member did not avail himself of the opportunity to stand and apologize for having misled the House by suggesting that CN had moved employees to Campbellton, New Brunswick, which he alleged was in my riding. That is absolutely false. This is not something that slipped out. It was a prepared debate; he was speaking from a prepared text.

The kinds of things we face day in and day out in the House are misrepresentation, distortion of fact, inappropriate behaviour and then not even the capacity to do the honourable thing and stand in one's place to withdraw.

With respect to what we are doing in the railroad industry, let me point out to my hon. friend, the transport critic for the Bloc Quebecois, that since the government came to power on November 4, 1993 there has not been a single request from VIA Rail to abandon any service in Canada, with the sole exception of the VIA service between Montreal and Saint John. It did not announce its decision to change that service because it wanted to. It had to because of the abandonment of that service by CP that owns the railbed and must maintain it in a condition satisfactory for passenger service.

To listen to the opposition one would believe that all across the country we are faced with serious service cuts to VIA. The fact is, and I know it is difficult for the opposition to deal with facts when they do not suit its particular needs, that not a single service abandonment anywhere in the country has been requested by VIA. The only one that took place was because of reasons beyond its control.

Canadian Pacific and Canadian National entered into merger talks that took place from the end of 1993 until the summer of 1994. There were serious discussions with a focus on merging the operations of CN and CP east of Winnipeg. In the early summer the responsible people at both companies advised us that the merger talks had not produced any definitive, positive results.

Within days Canadian Pacific tendered an unsolicited bid to purchase the assets of CN east of Winnipeg. The government is analysing that business proposal and looking at it from a policy point of view. Canadian National and its board of directors have a fiduciary responsibility to analyse the offer and make recommendations to the government. We have said that we will respond in due course.

Did we hear anything today from the spokesperson for the opposition with respect to party's position on the unsolicited bid from CP? Have we heard anything about the merger in terms of whether they are for it or against it? What are the other alternatives? What kind of policies do they have except to say it is another example that the separation of Quebec is a better option than staying as a member of the federation.

We have appointed a committee to look at the commercialization of CN. We felt it was appropriate, given the fact that there is an unsolicited bid from CP to purchase CN east of Winnipeg. That would result in the privatization of all rail operations east of Winnipeg to the Atlantic coast. It would also have the result of eliminating for all intents and purposes competition on rail in eastern Canada east of Winnipeg. We could not allow that to happen.

What did we do? We checked with the transport committee. We asked what its fall schedule was. It indicated it was going to be dealing with other issues. As a result we asked members of the government to sit on a special task force to look at the potential for commercializing CN operations across Canada, hopefully with employee participation.

We asked the member for Kenora—Rainy River to chair the task force. He was an employee of Canadian Pacific before he became a member of the House, a man who worked as a railroad man, a train conductor, and as a leading representative of unions that dealt with railroads in western Canada. We asked people from across the country who exhibited an interest in rail activities to sit on the panel. They are going to hold extensive meetings across the country. We hope people will come forward. Members of Parliament on both sides of the House have expressed some support, some concerns and some opinions. We want to hear what the Bloc Quebecois thinks about the commercialization of CN. Does it believe the employees at CN would have a better chance of protecting their jobs if some of them were owners of shares in a commercialized CN operation across the country?

• (1050)

We want to know what the options are if the CP bid is accepted. What does it do to competition? What does it do to service in eastern Canada? What becomes of CN west? What happens with commercialization of CN across the country with or without employee participation? What are the benefits? What are the downsides?

What happens if we maintain the status quo on an ad hoc basis and keep finding applications before the NTA for rail line abandonment in provinces like Ontario, Saskatchewan and British Columbia where it is very difficult to get to short line operations? What is the position of the Bloc Quebecois on short line operations? We know it wants to maintain railroads across the country. It does not want to maintain the country but it wants to maintain railroads across the country. It is a typical position. As we say in French, ils ne savent pas sur quel pied danser.

It will be interesting at some point to hear concrete suggestions rather than hearing: "We want to maintain everything we have in rail but destroy the country". Let us see what we can find out from the Bloc Quebecois about what it really thinks would be important in terms of the future of rail in the country.

The government believes the time has come. Canadians in Quebec, in Ontario, in British Columbia, on the prairies and in Atlantic Canada want decisions to be made that provide some degree of certainty and certainly provide for an alleviation of the burden on the Canadian taxpayer.

[*Translation*]

That is why we constantly ask Canadians interested in the issue to express their opinion. We have begun consultations all across the country. There are people in Transport Canada with a mandate to consult people and interested parties in all parts of Canada in order to find out their concerns and especially what solutions they have to suggest and what they can propose to protect a railway system which meets the needs of its users.

It is always the same story with the Bloc Quebecois. They want to keep the whole rail system in this country intact, be it CN or CP, they want to maintain all the services provided by VIA, but they want to destroy the country, they want to separate. They want to maintain all rail services, but they want to cut Quebec off from the system that runs east, west and North.

At some point, we can ask people to react and give us their opinion, but in the end, the opposition must act responsibly and put forward concrete proposals and tell us exactly how it sees the future. Let us not dream about other countries like France or Germany where a system works more or less well. Let us talk about Canada. We want to know what solutions the Bloc proposes to the railway problems that have existed for a very long time. These problems did not start twelve or fourteen months ago.

The status quo is unacceptable because it led to the complete elimination of rail service in Newfoundland and Prince Edward Island. As of January 1, 1995, Canadian Pacific will cease all its activities east of Sherbrooke. That is a direct result of the status quo and, in this debate, it is a non–solution because we have to live with the proposed changes every day. For our part, we want to assure Canadians that we will propose changes which we hope will reflect Canadian reality.

[*English*]

In that context I would ask members of the House on all sides, with all points of view, not to continue to recite the litany of woes and ills that we faced in the railroad industry over the last couple of decades but to address in a serious way what kinds of solutions we should be considering. What alternatives are out there in the Canadian Pacific situation for shareholders, shippers and employees; in Canadian National for the shareholder, which is the Canadian taxpayer, shippers and employees; and in VIA where subsidy levels have been reduced but are still very tangible?

• (1055)

I look forward as the debate continues through the day to hearing concrete solutions, real suggestions that can be taken into account in a pragmatic way by members on all sides of the House. If we are to achieve in rail the kind of stability we need to underpin a rebuilding economy, we will need the co–operation of the management of the railroads, the people who work on the railroads and the people who ship and use the services provided by railroads. We will also have to convince Canadians we are doing the right thing.

Coming to the House, misrepresenting what has been said or what has been done and making allegations that are known to be incorrect does not make much of a contribution to the debate I think Canadians believe should be taking place with respect to the future of rail in Canada.

In closing I commend members of the task force who have taken on the very difficult chore of going across the country, listening to people in every part of Canada who have a real interest in the future of rail, and asking them specifically what they think about the commercialization of Canadian National.

What do they think about moving this company into the private sector with employee participation, if at all possible? What do they believe is important for the future of rail in Canada? Is it a service from Halifax to Vancouver? Is it a national railroad that provides a core service? Are they convinced it is an alternative that should be looked at? Do they believe the Government of Canada, in assessing the unsolicited bid from CP, should not only be dealing with it on the basis of accepting or rejecting but on the basis of the status quo which I think all of us in the House agree is unacceptable? Or, are there other solutions beyond the CP bid and beyond the commercialization of CN?

Members of the House of Commons representing the government will be going across the country. We have asked them to bring that report forward as soon as they can. People will know that when the CP bid was presented it had a time frame calling for the government to respond in 90 days. We have said we do not feel bound by that restriction, but the government and Canadian National are actively pursuing a business case analysis of the proposal.

The government has a duty to look at it from a policy point of view because of the implications of accepting the bid. I hope the Nault task force, with members of Parliament who have a very keen interest in the matter, will be able to get the views of Canadians in every part of the country. Decisions will have to be made very soon to deal with the real problems that have dragged on and on through the last five, ten, fifteen and twenty years.

I look forward to hearing from the Reform Party and from other members of the Bloc Quebecois. I am sure they will do far better than the transport critic who obviously had a difficult time in getting his facts straight as he began the debate. As the day progresses I am sure we will be hearing some constructive suggestions from members of the official opposition, from the Reform Party and from other members on both sides of the House. Everyone in Canada knows how important a strong national railroad system is to the economy and to the future of the country.

[*Translation*]

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, I would like you to inform the Minister of Transport that, according to our traditions, the remarks I made do not require an apology. However, since I consider myself an honest person, I would like you to tell the minister that my office is currently doing some research to determine if indeed the city of Campbellton is located in the riding of Restigouche—Chaleur, as the minister said. If so, you may tell the Minister of Transport that I will make the necessary corrections today at the appropriate time. But I do not think that I need to apologize. In any event, with the kind of remarks he makes on a regular basis, the Minister of Transport himself is the one who has had many opportunities to apologize in this House.

• (1100)

Mr. Speaker, the Minister of Transport, who assures us that he is transparent, has admitted the fact that the commercialization task force chaired by the hon. member for Kenora—Rainy River is made up of Liberals only. He mentioned the busy schedule of the transport committee. I would like to inform the Minister of Transport that around February 18, 1994, when the transport committee was set up, I, as official opposition critic representing the Bloc Quebecois, asked that rail transportation be examined as a priority.

At that time, I made reference to the Liberal task force report on VIA Rail cuts made in 1989, a report that was signed by the Minister of Transport himself. I said that before going any further in the abandonment of rail lines, we should consult the users and the regions. That is why I asked that rail transportation be put on the committee's agenda on February 18. The Liberal majority on the transport committee said that such a study could jeopardize the CN–CP merger project that was being considered at the time. The Liberals asked that the study be postponed. The report was to be presented at the end of June.

We adjourned in June. Mr. Speaker, I would like you to inform the Minister of Transport that on September 19, when the session resumed, I asked again if we were going to examine rail transportation as a priority since the merger project was at a standstill. I was told that airports were higher on the priority list and that such a study could hinder the negotiation process.

I argued in committee that we could agree not to hear any representative of the employees or the management of the companies concerned, but that we could hear regional representatives who would come and explain to us the importance of rail transportation to the economic development of a region. Once again, my proposal was defeated by the Liberal majority on the committee.

On September 29, the minister announced the establishment of a Liberal partisan task force to study the issue. If the minister is transparent, why did he not include a representative of the official opposition and a representative of the third party on this task force?

**Mr. Young:** Mr. Speaker, there is a well–established tradition in this House that when committees are organized, the majority has its say. That is a long–standing tradition.

As to working groups mandated to do certain things by political parties, they are a fairly common occurrence. There have been many examples in the past. When either the government or the opposition wants to study any given matter, they ask for advice on a politically–oriented base. Some members of the committee like the hon. member for Kenora—Rainy River, who chairs the committee, are undoubtedly on the government's side. They have been assigned a certain job, so they are in a position to give useful and important advice to the government, which has to make a decision on the CP proposal, but also has to prepare other alternatives.

Several means are available to members of Parliament, for instance as members of House committees. If, as the hon. member just said, the transport committee was not able to examine this issue or if a majority had determined for any reason that the committe did not want or did not have time to do so, we had no choice but to proceed because we had to respond to the CP proposal.

I do not know whether the Bloc Quebecois or the Reform Party would have been willing to be part of a committee set up with a mandate from the transport minister, but it is not a kind of precedent I am ready to create because the House has its own mechanisms for examining issues that are deemed important. But political parties in this House also have the right to ask their colleagues to look into different matters in order to give advice that they consider relevant.

There is no duplicity in all of this. It is one way of doing things, and it has been around for a long time. I hope we will see in this exercise that Mr. Nault has already created an opportunity for all those concerned, members of Parliament included, to have an input.

• (1105)

One thing is clear. Opposition members have a golden opportunity today to express their views on the CP proposal, on the potential commercialization of CN, and on the status quo. They would be well–advised to use it to tell us what they think instead of reciting problems we have all been aware of for a long time and which we are attempting to solve.

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, as promised, I was given, while the minister was answering, the electoral map for New Brunswick. Since the minister was right, I promise never to mention again that the city of Campbellton is located in the riding of Acadie—Bathurst. It is located in the riding of Restigouche—Chaleur,

which is represented by one of the members of the partisan committee.

I do not consider it as an excuse; it is as if I asked the minister whether the town of St–Tite–des–Caps is located in my riding or in the riding of Charlevoix. In any case, it is in the riding next to the minister's, in the area he comes from, and that does not change anything to what I said a moment ago.

I want to tell the minister that the whole question of this party's position on short–line railways and on the unsolicited CP buyout proposal will be discussed today by the other speakers. You will understand that, in 20 minutes, I could not possibly deal with all these topics, but I shall do so in due course.

We have heard about the comments he made in early October in Winnipeg when he referred to "railway workers with a grade 8 or 9 education" and so on, and his answer to me on this subject in this House, an answer that might turn out slightly different from reality. If it is true that he made these remarks in the context he referred to in his answer to me, I would like the minister to explain why people left the room and why WESTAC had to apologize for comments that were insulting to the 62,000 railway workers in Canada.

**Mr. Young:** Mr. Speaker, I do not know what the member is suggesting when he talks about WESTAC having to make an apology, but I can explain what happened at this meeting in Winnipeg which was attended by 150 persons. As far as I know, three of them stood up and left because they had interpreted what I said as being unacceptable.

Before the meeting, people formed a picket line in front of the hotel to protest against the appointment of Mr. Nault as chairman of the task force responsible for reviewing the commercialization of CN. These people protested because they found it unacceptable that Mr. Nault had previously worked for CP. That was the kind of atmosphere prevailing, and I want to read an extract of the speech I made in Winnipeg before the members of WESTAC because it is perhaps the best way to clarify the situation. My words were as follows:

[*English*]

Some of the problems obviously were created by governments through excessive regulation and taxation but also by railway management, top heavy structures and by labour which are involved in agreements that contribute to low productivity and complicated archaic work rules.

What I want to say today about the labour situation in the railways is that I have never blamed people with grade eight and nine educations who worked for railways over the last 40 to 50 years who were able to negotiate these kinds of agreements with people who were paid a lot of money to manage our railway.

I am not going to point a gun at the heads of the people who got the very best deal they could at a time when they were in a position to do that. I expressed in this House my dismay that anyone would ever misinterpret those remarks as not being a total compliment to people who worked hard under difficult circumstances to protect their rights and the rights of their brothers in the railroad labour movement.

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, the motion dealing with rail in Canada has three parts, one being inaction on the part of the government, one being a lack of transparency and one being no vision on high speed rail.

• (1110)

I am not going to offer a lot of solutions as the minister has suggested we do because we are going to deal with the specific points raised by the Bloc in its motion. I am however going to put out several challenges to the minister which I hope he will respond to under questions or comments. If he does not I have to accept that he probably reluctantly agrees with the points I make.

Dealing first with the question of inaction, in some way I support the concept the Bloc is suggesting, that there is inaction on the part of the government. I have to ask why it is surprised at this. The reality is inaction is prevalent throughout all of the departments in the government.

With regard to transport, first we have to look at such things as the Pearson contract and the legislation cancelling it. We asked the minister for a public hearing. We did not say that it was a good deal or a bad deal but simply how can you condemn something that has never been given its proper hearing.

First he refuses to do it and then we get word through the media the minister said that he is strongly considering having a public hearing. Then we have yet another minister, the Deputy Prime Minister, saying there will be no hearing. Lo, there was no hearing.

That was a case where there was a series of actions which produced an inaction and questions of who is really running the transport department.

Then we get into things like the Churchill port and the minutes from Ports Canada that said it is closing down Churchill. That magically disappeared out of the minutes of the meeting that decided that.

It was raised in the House. Was the minister responsible or was it the head of Ports Canada, who was of course a Liberal patronage appointment? The reality is that it was not the minister. It was yet another minister who sits nearby who has more of a concern about this because of his home province and he caused a magic marker to appear over top of those minutes. Again I have to wonder who is running the transport department

and is that some of the reason why we have no real action in that department.

Then we have human resources. Again this is a new concept that the Liberals are raising to a mastery where they produce a series of actions which results in no action at all. In the case of human resources, right at the beginning of the year they raised the unemployment insurance rates. Then through another mastery they reduced their own raise, thus cancelling their own action to say look at the wonderful saving they have made for people. I suggested if they raised the amount 10 times as high and then reduced it, they could have had even greater saving. Obviously the bottom line is no action at all.

Then we have the justice department. The justice department talks of reforms to the criminal justice system but there is nothing forthcoming. There are no concrete proposals. The problems still continue on.

We have the Ministry of Health. The Ministry of Health has not only taken no action but has penalized provinces for trying to implement these actions. It has penalized my own province of British Columbia for one for trying to implement some cost cutting changes that would make the health system healthier and more effective in that province. Instead it gets the transfer payments reduced because it did not march to the beat of the Liberal government.

Then we have the immigration department and the so–called consultations that are going on. I say so–called because people are demanding action and they are making very clear what kind of action they are looking for. They are going out and selling a preconceived government agenda.

Then we have the minister of fisheries, the fisheries department. Again, here is where we are having another study whose only purpose is to provide a scapegoat for the inaction on the part of the Minister of Fisheries and Oceans, soon to be the minister of oceans because the fisheries will be destroyed.

We have the finance department with no workable plan, no indication that the goals it has set are obtainable, goals that are too low even if it should somehow magically manage to attain them with its current plan of so–called action.

This is the general level of action of a government that loves to preface many of its statements by calling them action plans. It takes more than hollow words to create real action.

• (1115)

What action has the government taken on rail line abandonment? What changes have taken place? There has been no action whatsoever to resolve the overtrackage problem in the east.

Interestingly enough when CN and CP were talking about rationalization and merging the two rail lines to form the company referred to as Newco, the minister seemed to think that was a wonderful idea. However now that one company wishes to buy out the other that is not a good idea even though it would produce the same general result. In fact it would produce better results because there would still be a vestige of competition under this new proposal.

There is no action to deal with rail line inequitable taxation problems. That is certainly a very large problem and a very large component of the rail industry's problems.

There is no action to deal with the provincial problems concerning such things as labour legislation and property taxation. Not only are they harming the rail lines as they exist right now but they are also among the large impediments in the way of attracting private short line operators to take over these abandoned lines when the big rail companies can no longer make money running them.

There is also no action to deal with harmonizing capital depreciation rules so that they can compete effectively with their American competitors.

The next thing I would like to look at is the lack of transparency on the part of the government with regard to the rail industry. Once again this is something that is prevalent throughout all of the departments.

Of course we have in transport such things as the Pearson contract. When Bill C–22 was brought in we tried to introduce an aspect of transparency. Had the government agreed to do that we would have supported that bill. All we wanted was the claims and the resultant payments going out to flow through the all–party transport committee. In that way the claims and the resulting payments would be known and transparent and there could be no under the table deals. It was refused as an amendment at the committee stage and was refused as an amendment at third reading.

Then there was the wonderful deal that was cut behind closed doors by the Minister of Transport with Air Canada dealing with the route to Osaka. The minister rose in this House and denied directly to me that there was any private backroom deal. He continued to deny that for two days after which he admitted that in fact he had cut a deal with Air Canada. Transparency? Not a chance.

In the human resources department again patronage appointments are absolutely rampant, even in my little rural riding in southeastern British Columbia. There was a one year delay in getting anyone to sit as chairman of the board of referees because the government attempted to put in someone totally unqualified by way of a patronage appointment. When that was exposed the government sat on the real appointment for over a

year. It was a tremendous hardship for people in my riding having problems with UIC. It is another example of lack of transparency on the part of the government.

The health department is currently undergoing a $12 million study. This is not to learn but rather to sell preconceived government notions and agenda. This is not transparent and it is not acceptable.

The immigration department has its own hidden agenda in its review board. On the Vancouver immigration and refugee review board a member who was appointed by the previous government has had a 38 per cent acceptance rate of those who appealed through him. In the last four years there have been only three appeals to his decisions, two of which were heard. Only one was overturned and that was because of a mistake made in the translation of the information supplied to him from the appellant. It changed the meaning of what he was told. That one single case was reversed, no others.

Now the minister has implemented a priority goal of a 75 per cent acceptance rate. Why is there a goal? There should only be acceptance of those who are proper and true immigrants to this country. If that is 10 per cent, it is 10 per cent. If it is 90 per cent, it is 90 per cent. How can there possibly be a goal if there is not some hidden agenda? The other side of it again brings into question the transparency of what the government is doing.

• (1120)

It is the very fact in this case that if one of the two people viewing these appeals accepts the application, it is accepted. If it is accepted no report has to be written, but if it is rejected a lengthy report has to be written. It places a tremendous emphasis on accepting, whether or not it is for the good of Canada.

The fisheries department transparency. It is studying a serious, perhaps catastrophic problem of the salmon fisheries on the west coast in house instead of holding a public inquiry. The problem was created in house by the minister. How can he study himself and come up with an objective answer?

In the finance department again we are looking for transparency. There is an absolute refusal to make a commitment on the question of a carbon tax or taxation of RRSPs.

Justice department is an interesting case where there is the opposite of transparency. There is excruciating transparency when dealing with such things as the proposed firearms legislation. The minister has publicly stated he will not make legislation based on head count, but he will in fact do what is good for the people, which can be translated into: "I do not care what the people want, I know better than they do".

Now we deal with transport and the transparency there. Well, the CN task force has already been mentioned. Do we have a problem with that? Is that a transparent, viable thing? Of course it is not. There is absolutely no reason that the questions being raised by the CN task force could not have flown through the transport committee, have had a vestige of all–party input and then it would have had some credibility. It certainly would have had some transparency.

We know that on a recent task force struck under transport dealing with the seaway there was a dissenting report. It could not do to have somebody offering a different opinion. Even though my party did not happen to agree with that dissenting opinion it was nonetheless the right of the people in this House to make it. This is what an all Liberal CN task force manages to block.

When looking at what is happening with CN and the offer from CP there are three scenarios that could come up, but I believe the report they are to make is already written.

First, they could come back and say the CP offer is good. That releases the minister from responsibility. He can now claim that his people went out across the country and they got this endorsed and so away they go. It comes back to what we talked about previously on other bills where the government consults and that is supposed to mean the solution it comes up with is okay. The very fact that there is consultation does not mean there was anything whatsoever in the final report that had anything to do with what people said during the consultation. It does no good to have consultations if you do not listen to what people say.

The second scenario is that they could come back to CP and say: "We like the idea of you offering to buy out a portion of CN except we want you to increase the offer and buy out the whole thing". That is unacceptable because it will remove the vestige of competition that still remains under the current CP offer.

The final thing they could do is come back and say: "No, we do not want to sell part of it. We want to privatize the entire thing and sell it as a total unit". That also is unacceptable because it does absolutely nothing to deal with the problem of overtrackage in eastern Canada.

I suppose in one respect there is a fourth option which is to do absolutely nothing at all. This seems to be a very popular option on the part of the Liberals, but I would hope that at least they realize it is not a workable solution in this case.

We could go on just on the vestige of the CP rail offer alone, but I would say one thing to this House. I believe the concept of the CP rail offer to CN is a good one. I remind the minister it is not considerably different from the concept that he has already endorsed which is that of the two companies merging together, only in that case there would be an absolute loss of competition. In the case of this offer there is not.

I would like to touch on VIA Rail because that was mentioned in the hon. member's motion. VIA Rail in a word should be privatized. An example of an operation that was run by VIA Rail in British Columbia and into Alberta is the Rocky Mountain Rail Tours. VIA ran this with huge subsidies for a number of years and still managed to lose money.

• (1125)

Rocky Mountaineer Railtours was sold to the Great Canadian Railtour Company which ran it in virtually the same context as it was being run by VIA, but of course with the aspect of private enterprise introduced to it. It must get a return on the investment made to VIA. Great Canadian Railtour has fought considerable roadblocks put up by the very company that sold it this line and has had to fight in court. In spite of all that it has made an unsubsidized profit.

Can the private sector do better than crown corporations? You bet it can. We believe the only subsidies that should take place for rail transportation in terms of passenger transportation are for remote operations only and only then when there is a demonstrated need.

It is all well and good to be nostalgic and remember back to the days when the rail linked and tied this country together. We have to recognize that for all the improvements in technology the locomotives may pull more weight than they pulled in the old days, they may pull it a bit faster and certainly they may be safer, but the general concept of moving people by rail has not changed dramatically in terms of the years that have gone by.

If we think back to when rail transportation was originally introduced alternative methods were not available. Rail started before there was any widespread concept of any alternative transportation except by horse. There were no aeroplanes, there were no buses, there were no passenger cars. As technology has moved in other areas the genuine need for rail transportation has to be modified.

Many of the areas can be handled by private enterprise, making a profit without government subsidies where there are sufficient passengers to move. That will also resolve traffic problems. In remote areas where there are alternatives they are probably going to have to look at those alternatives. If there are no alternatives that is the only situation in which we should be looking at government subsidies.

Finally I would like to touch on high speed rail. This has been brought up before. The answer now is exactly the same as it was then. A $7 billion or $8 billion high speed rail system is not in our foreseeable future, not if half of the money is going to come from empty federal tax coffers. We have no money for the things that are here now.

The other side of the House is talking about the need for cuts and we endorse that. We know there have to be cuts. Why at a time when we are talking about the need for cuts are we talking about spending $7 billion or $8 billion on a high speed rail system? It is not a national high speed rail system, it is only for one single corridor.

It has been suggested that half of that money must come out of the government tax coffers. If it is a profitable venture as the people proposing this would have us believe, why would they want the government, which has a history of losing money at everything it turns its hand to, as a partner? On the other hand if it is in fact a loser, why would the government associate itself with another tax drain?

There are solutions. The government will not find them if it does not start taking some action on the known solutions. It will not find them if it hides everything behind hidden agendas, if there is no transparency, if it does not openly and honestly involve others and then use solutions provided by these people instead of trying to use them to create a justification for its own agenda.

There will be many opportunities for the minister to hear our proposals. Unfortunately in the past whenever the government takes a Reform policy proposal, which we are happy to see it do, it only takes it piecemeal. It manages to mess it up so bad that we are almost reluctant to help the government, unless it lets us guide it all the way. I might add we are totally prepared to do that.

I leave it to the government. If it wishes to refute anything I have said, I would be happy to hear it. Failing that I would ask the government to become more transparent and start taking action to consult with those of us on this side of the House who do have solutions. There is no point in our throwing them out if the government intends not to use them.

**Mr. Glen McKinnon (Brandon—Souris, Lib.):** Mr. Speaker, I was late arriving this morning and I did not hear the hon. member's entire speech. I would like to compliment the member on his broad approach to many of our national problems.

• (1130)

Does he not agree that there needs to be some time when any department needs to research issues without being transparent at the initial time of investigation? Surely in transportation, surely in justice, surely in agriculture some research requirements need to be addressed.

**Mr. Gouk:** Mr. Speaker, I would point out to the hon. member that we are not talking about the government's right to do its homework. In my opinion the CN task force is not homework. It is a study to determine whether the CP offer is good, whether there are alternatives, and what should be the policies as a result of it.

That is the kind of thing done by the Standing Committee on Transport and is why we have committees, so we can study various proposals. CP has made an offer to buy a section of a government business. It is something that government should not be doing of course, being in business.

We have had a legitimate outside offer to buy a portion of a government service. If that is not justification for it to be studied in the committee concept, which is all–party, then I do not know when there ever will be a case.

[*Translation*]

**Mr. Gagnon:** Mr. Speaker, I find it deplorable to see only one member of the opposition when such an important question proposed by the opposition is before us. Frankly, this shows how unimportant the Bloc Quebecois considers this urgent matter. I see a few of them coming in. All right. That is good. But there are only two of them, Mr. Speaker.

**Mr. Duceppe:** Mr. Speaker, the member should not mention the absence of members; otherwise, we would spend out time deploring the absence of ministers across the way. My young friend probably does not know the Standing Orders.

**The Acting Speaker (Mr. Kilger):** I think that members on both sides of the House are rather familiar with the Standing Orders. But some distinctions are still hard to make. I accept the point of order raised by the hon. opposition whip provided he does not mention a member in particular. I thank him for his remarks and I would ask the parliamentary secretary to please continue.

**Mr. Gagnon:** Mr. Speaker, this is a really important debate, but members who contributed to these decisions a few years ago, in 1989, including the Minister of the Environment of the day who is now Leader of the Opposition, are not here to address the House.

**The Acting Speaker (Mr. Kilger):** Order, please. We must understand, particularly as it concerns the demands on members of this House, that members as well as ministers and parliamentary secretaries have many duties to perform and that their availability is limited by the many committees and meetings they have to attend.

But I still think that the parliamentary secretary knows the Standing Orders very well and that he has become proficient since he first arrived here on the hill. So I would ask him to respect the Standing Orders and refrain from mentioning the presence or absence of any member on either side of the House.

**Mr. Duceppe:** Mr. Speaker, I would ask the hon. member to withdraw his comment. Otherwise, all we have to do is, as he did, to apologize afterwards without in fact withdrawing our remarks.

Therefore, I would ask him to withdraw his comment concerning the absence of an hon. member. He should withdraw that remark or apologize, since otherwise members on this side of the House will take it that they can do the same for the rest of the day with respect to ministers who might be absent.

**The Acting Speaker (Mr. Kilger):** I am not in a position to ask any member to withdraw a comment which has not really been made in the usual context of non–parliamentary language or which could have an impact on a member's integrity or honesty.

• (1135)

This is not a point of order, but I nonetheless appreciate the representation made by the whip of the official opposition in this matter. I hope all hon. members on both sides of this House will show a greater understanding of our rules.

**Mr. Gagnon:** Mr. Speaker, I would still like to thank the opposition for proposing to participate in a debate on that subject. It gives us the opportunity to clarify some points and allegations made by opposition members.

First, I feel we should look at the fundamentals of this debate. Canada's railroad industry is facing many pressing questions and is undoubtedly at the crossroads as far as its future is concerned.

We must recognize that Canadian taxpayers will pay more than $1.6 billion in direct grants to support the transportation network this year. Of this total, $331 million will take the form of direct grants to railroad passengers service. We feel, and everyone agrees, that the role and the structure of Crown corporations like VIA Rail should be reviewed from time to time. We must remain practical and concentrate on feasible solutions because VIA Rail passengers should have access to a multimodal, secure, reliable and, of course, affordable transportation network.

Before moving on to the future of VIA Rail, I believe it would be useful for me to give you a brief description of the background of the corporation and of its present situation. I mentioned earlier that in 1989, the leader of the opposition was part of a government which cut VIA Rail services by 50 per cent and eliminated nearly 2,500 jobs. Given that the minister who was part of such a government is now leader of the opposition, I think the onus really is upon the opposition to explain why VIA and CN were cut by 50 per cent in 1989. Why did they cut more than 2,500 jobs?

This is unfortunate. As a matter of fact, the workers, the families, Montrealers, good Quebecers and Canadians are the real victims of these cuts which were never justified by the opposition.

I am going to pursue this. Today, everybody wants to put the government of Canada on trial. But as everyone knows, we were not in power back then and I was not even a member of Parliament. Therefore, I would ask opposition members to jump at this opportunity to explain to Canadians and to hon. members of this House why they have moved for a debate on this subject matter.

We want answers. We are entitled to ask why we have as the Leader of the Opposition a member of the previous government which has substantially, we might say, changed the picture of VIA Rail and CN in Canada.

I would also like to point out to this House that there were several other opposition members who were part of the previous Conservative government and who, in my opinion, also had some responsibility in this matter. They are not here today to explain their actions. Nevertheless, they took part in the streamlining of CN and were accountable for this 50 per cent cutback. We must ask them questions.

There is nonetheless the Opposition House Leader who—

**Mr. Duceppe:** Mr. Speaker, I rise on a point of order. Obviously, the hon. member either fails to understand or wants to give the impression he does not understand what you said about what constitutes proper behaviour in this House. He is doing it again.

I think that aside from the civilized debate we should be having instead of this childish attitude taken by the hon. member for Bonaventure—Îles–de–la–Madeleine, I have no objection to his criticizing certain decisions that were made in the past, but—

**The Acting Speaker (Mr. Kilger):** The hon. member was interrupted on a point of order, which followed a previous point of order, but now it seems we are involved in a debate. Again, I would ask the parliamentary secretary who has the floor to please avoid any references to the presence or absence of a member during his speech.

• (1140)

I would like to say to my colleague, the Official Opposition Whip, with all due respect, that this is not a point of order as such, and we will resume debate with the parliamentary secretary.

**Mr. Gagnon:** Mr. Speaker, it is not childish to defend the interests of one's constituents, to appeal to the common sense of the members of this House, and to state the facts. All this did not come out of the blue. I do not believe that the setbacks at CN and VIA Rail necessarily started when the new government came to power. I think we must consider what happened in the past, if we want to find a reasonable explanation for the current situation.

I may add that I was very upset back in 1989, when I wanted to take the train to go to the riding of Bonaventure—Îles–de–la–Madeleine and found that, instead of every day, the train only ran three days a week. I found this very upsetting as did many of my constituents, and my point is that VIA Rail services had been cut by the previous government. These cuts were not made by the Liberals but by the Conservatives. The point I want to make is that a number of opposition members were part of the government at the time. I was not and, believe me, I would have objected strenuously to the ill–advised policy and position on the future of VIA Rail and CN which we saw in 1989.

There is a lot of talk about transparency. The opposition critic mentioned transparency. In fact, I commend the opposition for emphasizing the need for government transparency in this respect. However, when they talk about transparency, they should not refer exclusively to the present Minister of Transport, who was not a minister at the time. When they talk about transparency, they should consider all aspects of the situation. That is all I ask of the opposition.

I do support transparency, despite the criticism aimed at me personally and at my efforts concerning VIA Rail and CN services in the riding of Bonaventure—Îles–de–la–Madeleine, and I would like to know how many opposition members bothered to take the train during the past year. I wonder how many opposition and government members who have access to railway services in their communities and in their ridings have taken the train to come to Ottawa.

And if any of their members fit that category, I challenge the opposition to tell me how many times they took the train to travel between Ottawa and their respective ridings. Personally, I always try to take the train. Not to the Magdalen Islands, of course, where I have to fly if I want to get there within a reasonable time frame. But when I go to Bonaventure county, three evenings a week I can get directly to New Richmond, where I live. It takes thirteen hours by train from Montreal. I leave by train at two or three o'clock in the afternoon from Ottawa, arrive in Montreal at five, wait for two hours, and then take the train to Bonaventure county. However, on some evenings there is no service to the Gaspé. Sometimes I arrive in Campbellton, New Brunswick, at 4.30 a.m. This means that a member who takes his work seriously and who really wants to do his share has to be prepared to get off the train at 4.30 a.m.

If we want to keep our trains, we have to use them. Of course, as we all know, very few people travel by train. A lot more must be done in the way of marketing and advertising to convince the public and urge opposition members and all members of this House to show their support by taking the train as often as possible. Many members think it is much easier to fly between Montreal and Ottawa, when they travel back and forth between their ridings and their work here in the House. Nevertheless, I would like to reassure opposition members and particularly my constituents that their member of Parliament travels by train and is going to travel by train for a long time, believe me.

• (1145)

We were just talking about transparency. Obviously, we have not heard any practical solution from the opposition as is the case most of the time, and the federal government is put on trial as always. Canada is always to be blamed. Generally speaking, they say that nothing is working in Quebec. Yet, we struck a committee and asked opposition members to submit concrete solutions. I have never heard the word "intermodal", for example. I have never heard new ideas to make VIA Rail, the CN

or the transportation services in Canada profitable. All we hear, and it is unfortunate, is that the whole transportation policy in Canada is a complete failure. Yet, Canada was built on those links.

[*English*]

The ties that bind.

In 1867 when we first began as a small British colony we had that national dream. We had that national policy in which Canadians came together and said we would go toward the west, we would reach the shores of the Pacific and unite Canada as we know it today, despite the efforts and pressures to maintain and increase our ties with the Americans at the time. We were just coming out of a revolutionary war, I should add. There were visionaries in Canada at the time. These visionaries were sent out to set up that track to cross Canada, to make sure Canada would become the country it is today.

We all know what position Canada occupies. I do not have to remind members. I think the United Nations repeats year after year that Canada is the number one country.

Of course when it comes to rail policy it is not an easy one. Canada is a country that was forged. It was not a country born out of revolution and strife. It was a country forged by immigrants, minorities of all kinds who came to Canada to make a better life for themselves. Thank God it was the train that initially brought them here. Today we have air travel, all different modes of transportation across this great nation.

Maybe it is time because of the financial restraints we are now faced with to look into these services and make sure that Canadians are getting their money's worth. This is what we have been hearing from the opposition all this time.

However, we have to find new solutions. Of course we could look to Europe. We look at what is happening in France, Japan, Asia, Germany and Great Britain. The populations on the European continent are much more concentrated than they are in Canada. There are approximately 350 people per square kilometre in Belgium and there are only three in Canada. It is about 250 in France and still France can operate quite a service.

After all, if I am not mistaken, Canada is 18 times the size of Great Britain, it is more than six times the size of France. Canada is a huge country with a population of 30 million. The train service we are willing to offer in this country is not necessarily the one that is always on par with that of Europe or Japan when we think of the Shinkansen and the TGV in Europe. The Canadian context is quite different.

However, the opposition is probably right in saying that we have to look at the TGV. I have heard the Bloc say this a few times. However, I should also remind the hon. member that the whole TGV concept was first introduced by the federal Liberals. There was an initial committee that looked into the question. It said there is potential between Quebec and Windsor. From what I am told there is currently a study taking place.

[*Translation*]

Finally, a task force including the government of Quebec, the government of Ontario and, of course, the government of Canada is reviewing this issue.

• (1150)

We are told that this is a comprehensive study, a study that will reassess the situation and the potential for putting in place a high–speed train between Quebec and Windsor. However, I see the opposition members, especially those from the Reform Party, asking: "Well, what does this mean for western Canada?"

[*English*]

What does this mean for western Canada? What does this mean for rural areas of the country? Should we allow all our moneys and all of our expenditures to go into the creation of a TGV between Quebec and Windsor? What happens to the have not areas of Canada, the maritimes, western Canada, the Gaspé Peninsula? I do not think the opposition Bloc members give a hoot about having a TGV going all the way to the Gaspé because it is not feasible.

However, we must make sure that whatever service is in place in Canada and despite the allegations of the opposition that nothing is being done, we have to provide certain essential services in this country. We have to service the rural areas of Canada. We have to service the heartland of the nation. I think this is the role that all parliamentarians are called to play.

[*Translation*]

Having said this, I am surprised to hear the opposition tell us that they want a high speed train which will serve Quebec, Ontario, Windsor, but unfortunately, these people are still proposing to us the end of the Canadian federation. They are proposing the dismantling of Canada, the separation of Quebec. How could we build a railway link between Quebec and Windsor with a border between Quebec and Ontario?

I hear the opposition laugh, but that is the hard and sad reality. We must learn to work together. We must build a railway system that will respond to the desires of Quebecers, of Ontarians and all other Canadians. And surely, as member for Bonaventure—Îles–de–la–Madeleine, I have an obligation and a duty to ensure

that service is maintained in my remote rural riding in the province of Quebec.

It is obvious that the opposition often speaks for the urban people, with very little consideration for the remote areas. I think that the opposition leader demonstrated that brilliantly in 1989, when he was among those in favour of the decision to cut 50 per cent of the railway service in Quebec and all across Canada. I think that we should not be afraid to tell these facts, and I believe that being in a free country, being a member of Parliament—after all, being a member of the House of Commons is a privilege—I am fully entitled, despite the slanders, the opposition, the allegations from the opposition that I am not fulfilling my role as a member of Parliament, to denounce what took place in 1989.

I believe it is important to take the opportunity to develop a Canadian vision and I believe that the dream we had in 1867 is still alive. I think that many people in the opposition have benefited from the freedom and privileges that were given to them as Canadians and one of those privileges, one of those links that unite the country is, of course, the Canadian railway service as we know it. However, we must get ready for the next century.

I will end my speech on that point because I wish to give the opposition the opportunity to ask questions, questions that would not be partisan in nature and would take into account first of all the genuine interests of Quebecers and Canadians, that is to maintain a service and to help us find solutions. Instead of talking of dividing and separating, and accusing federalists, instead of saying that Canada is a failure, I invite them to find common solutions with us. The official opposition must recognize that it does not represent the majority of Quebecers. They got 48 per cent of the votes and a majority of seats in the Quebec assembly but there are still 52 per cent of Quebecers who did not support the Bloc.

• (1155)

One thing is sure, when they start participating in the debate, those people will have to state clearly that they may speak for a certain number of Quebecers but not for Quebec as a whole. I invite them to take part in the debate, to examine and propose constructive solutions for the future of VIA Rail and, of course, for the whole of Canada.

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, I am sure the member for Bonaventure—Îles-de-la-Madeleine appreciated the fact that he was not interrupted during his speech. For his part, he can always be heard yapping in the background when someone else has the floor in the House of Commons. It makes you lose your concentration, besides being impolite.

**Mr. Gagnon:** On a point of order, Mr. Speaker. To say that a member is yapping and trying to interfere with the House proceedings is quite offensive. I am a democrat, a parliamentarian and, as the member for Bonaventure—Îles-de-la-Madeleine, I have the right to express my opinion.

**The Acting Speaker (Mr. Kilger):** Once again, with all due respect to members on both sides of the House, this is not a point of order. The member for Beauport—Montmorency—Orléans.

**Mr. Guimond:** Mr. Speaker, I made my point. The member invited us to put questions to him and to be constructive in this debate. I am going to ask him some serious questions and I will ask that he give me clear answers.

First, I would like the member to indicate why, in April 1994, he refused to take part in hearings on the future of the Chaleur, in the Gaspé Peninsula, in his own riding, which were organized by Mrs. Cynthia Paterson, a member of Rural Dignity of the Gaspé Peninsula? Could he indicate why he refused to hear some 50 individuals and groups from the Gaspé Peninsula, most of them from his own riding, present their briefs? Could he answer this question?

**Mr. Gagnon:** Mr. Speaker, we seem to be digressing, but I will gladly answer that. I met the workers and Mrs. Paterson in February, I believe that was a few months before the Bloc decided to organize a consultation of the people.

You know, I, too, could invite opposition members to work on sustainable developments in the Gaspé Peninsula or elsewhere. For example, I worked hard on the Eastern Plan. I really worked hard and I think I fulfilled my mandate as an elected representative. Nothing is finalized yet. However, speaking of railways, I dealt with that in February. Talk to the workers in New Carlisle, those of VIA Rail and CN. When there were problems, Patrick Gagnon was there. Patrick Gagnon even held a press conference with Mrs. Paterson, and that was a long time before the public hearings for propaganda, held by the opposition.

I did my job, and as a member of this House I am proud of the result we now have. Because of my efforts, because also of the understanding and commitment to VIA Rail shown by the Minister of Transport, the service is now guaranteed. I believe I did my duty, and do not forget that this was part of my platform. I am, first and foremost, a representative of the riding of Bonaventure—Îles-de-la-Madeleine. I met with the workers long before the opposition realized the importance of a railway line. It seems that the opposition wants to redeem itself, because its leader was party to a government decision to cut VIA Rail service by 50 per cent, back in 1989.

This is not a question for me to answer. The Leader of the Opposition should come before me, before Canadians, before the people of Quebec and of the Gaspé Peninsula, in order to explain why he agreed to cut the service by 50 per cent, so that, now, the train goes into the riding of Bonaventure—Îles-de-la-

Madeleine only three days a week instead of seven as it did until 1989.

Where were you, Lucien Bouchard?

**The Acting Speaker (Mr. Kilger):** For the sake of all of us understanding one another, I will ask once again that, however heated the debate here in the House of Commons, however strong the feelings held and the desire to put one's views across, a member should always be referred to by his or her function or riding. Resuming questions and comments.

• (1200)

**Mr. Guimond:** Mr. Speaker, it is regrettable that the Chair had to warn the hon. member eight times already.

I have another question.

**The Acting Speaker (Mr. Kilger):** Order! Quite frankly, I could not say whether this was the fourth, fifth, sixth or eight time; I did not keep count. At any rate, I am patiently carrying out my duty and asking the hon. members to have a respectful and parliamentary conduct during debates. That is all. I will keep reminding the hon. members to do so, nine or ten times if need be, but I must inform you that patience will win out.

**Mr. Guimond:** As far as the way you conduct proceedings is concerned, Mr. Speaker, the past vouches for the future and I thank you for that.

I would like to comment on the hon. member's speech and ask a final question. I would like to know if he himself ever took the HST between Lille and Brussels? That is Lille, in France, and Brussels, in Belgium. I travelled with the transport committee to France and Germany last week, at no cost to the Canadian taxpayers as we were the guests of the two governments. We had the opportunity to take this train and to see for ourselves that, contrary to what the Prime Minister once said in response to a question, the HST does not stop at the Belgian border. The clearance procedure is the same as for air travel. Planes do not land in every European country for clearance purposes before flying over the border. Whether you are travelling by train, plane or ship, you are cleared upon departure and arrival. It would make no sense. Obviously, the hon. member was talking through his hat since he had never taken the Lille–Brussels HST.

I mentioned earlier in my speech plans to build a cement factory in Port–Daniel, which is located in his riding, in the Gaspe Peninsula. Does the hon. member realize the importance of rail service for the establishment of this factory in Port–Daniel, in his riding? I would like to hear his comments on this cement factory project which is conditional upon rail service being maintained in the Gaspe Peninsula.

**Mr. Gagnon:** Mr. Speaker, this is an interesting question from the Opposition. No, I did not have the privilege of taking the high–speed train between Paris and Lille because I did not have any money at the time. I was only a backpacking student. I think I hitch–hiked. However, I had the privilege of taking the Shinkansen between Tokyo and Osaka a few years ago. Believe me, the service was very good, except that Japan Rail has been privatized. It is not a profitable operation.

Talking about rail service, I would be the first one in my riding to be interested. As a member of Parliament, I feel that I am the legitimate spokesman for the riding of Bonaventure—Îles–de–la–Madeleine. If the hon. member opposite is interested in that riding, he should run against me in three or four years, if he really wants to become familiar with the issues.

Of course, there is not only the Port–Daniel cement plant but also Stone Consolidated, Abitibi Price and Tembec. Railways are used to the tune of $10 million to $20 million in that region but, again, we are still talking about the cement plant. Like any socio–economic regional development project, this one relies on rail service. To reassure the hon. member opposite, who sounds like he would like to represent the riding of Bonaventure—Îles–de–la–Madeleine, this project requires a great deal of study. Several steps must be taken. There are the environmental standards set by the Quebec government. I met with one of the developers.

I come from that area. My father was born in Port–Daniel; my family comes from there. Believe me, I am following this project with a great deal of interest. True, maintaining commercial rail service is important to any medium– or long–term economic development project in the Gaspé peninsula.

• (1205)

**Mr. Duceppe:** Mr. Speaker, following discussions among the three parties recognized in this House, it was unanimously agreed that the next two speakers would be from the Bloc Quebecois, after changes were made to today's agenda.

**The Acting Speaker (Mr. Kilger):** I do not think that unanimous consent is required. However, if you came to an agreement among yourselves, it is always better and I can proceed. Is it agreed?

**Some hon. members:** Agreed.

**Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ):** Mr. Speaker, I will try to talk seriously about the national interest, an issue that the member for Bonaventure—Îles–de–la–Madeleine has tried to lose sight of from the beginning of this debate.

We asked for this one–day debate on railways to consider solutions to rail problems and not for partisan questions of what happened in the past or concerning individuals who are not here.

In my statement, I will not provide the solutions which the minister was asking for because before we propose remedies, we must first make a diagnosis, and it appears from the diagnosis that I am to present that the government's inaction and inertia are mainly responsible for the problem with railways. So I shall present this part of the diagnosis and not specific remedies, as far as I am concerned.

The Canadian government's inertia on rail issues is in strange contrast to the dynamism shown by most other developed countries in this field. In Canada, our leaders consider the railways to be things of the past; as development tools, they certainly had their days of glory, but they are doomed to disappear. In other countries, the railways are considered excellent means of transportation which must urgently adapt to current requirements. On this point, I will repeat what the member for Bonaventure—Îles–de–la–Madeleine said about the difference in population density between Belgium and Quebec.

I will tell him right away that it is not the Parti Quebecois's intention to propose railways for the Far North, whose population density is about average for this country, but only in the southern corridor, where the density is quite comparable to many European countries that are now trying to renew and develop their rail system.

Our government's inaction on rail transport is essentially due to lack of vision, as my colleague from Beauport—Montmorency—Orléans showed very well. When you do not see the source of the problem, it is hard to move. That is the trouble which this government, and especially its transport minister, have: they see the railways as basically folklore.

The government does not act. It lets rail lines belonging to one of the greatest railway systems in the world be dismantled on the basis of purely cost–accounting decisions. The socio–economic benefit analysis of a railroad is ignored and replaced instead by a cold and narrow accounting analysis.

This government does not act. It lets thousands of railroad workers lose their jobs. The restructuring of the main providers of employment in the country is done without any follow–up. The government lets CN's head office, in Montreal, become gradually more and more empty, for the benefit of Winnipeg and Moncton, but at the expense of the quality of service. A company in my riding, Transpotech, can attest to that deterioration, since CN moved some of its services from Montreal to Winnipeg.

The government does not act. It is still dragging its feet regarding the high speed train issue, wondering whether that project is too costly or not. Yet, a consortium which includes Bombardier is convinced of the viability of that project and keeps winning major contracts all over the world, except in Canada. Do you not think that these people have given sufficient credentials to be listened to?

• (1210)

The government does not act. There is no precise definition of Canada's transport requirements for the years to come. While foreign governments promote rail service and give it priority, this government chooses to ignore the tax and regulatory problems which our carriers have to face.

The government does not act. It cannot see the environmental and economic benefits which would result from a strengthening of our rail system. If the government cannot see those benefits, the opposition can demonstrate how economic development and environmental protection can both be achieved through a sound rail policy.

This morning, I want to propose new tools and provide data that should prompt the government and the Minister of Transport to wake up. Of all the various modes of transportation, the rail system is obviously the less harmful to the environment. It uses less fuel and releases less pollutants, hence contributing significantly to the air quality.

Statistics released in 1990 show that the percentage of pollutant emissions reaches 4.8 per cent for trains, compared to 18.4 per cent, which is four times more, for trucks. Because of its rate structure, trucking has become the main obstacle to an increase in train services, despite the social and economic benefits of the rail system. This is why I want to compare these two modes of transport which, instead of being competitive, could be used in conjunction, within a dual–mode system, but we will get back to this issue.

Figures concerning the difference in pollutant emissions for both modes of transportation are eloquent. Let me give you just one example: carbon dioxide emissions by trains reach 13.9 per cent, compared to 48.4 per cent for trucks, the relatively low fuel consumption of trains accounts for the difference.

Let us examine the comparisons between both modes of transportation. The advantages of the rail system are significant. However, one of the main benefits of the rail system, compared to trucking, is the fact that trains can carry heavy loads on long distances. For example, a study showed that to move 200 containers across the United States, there would have to be three to five engines on the one hand, and more than 200 trucks on the other.

The intrinsic features of rail transportation thus allow to impede road congestion which adversely affects economic development. Obviously, if all lines were electrified in Canada, train emissions would be markedly reduced. Countries concerned with environment protection consider electrification of their rail system in line with their sustainable development policy. Western Europe has the highest rate of rail lines electrifi-

cation: 99 per cent in Switzerland, 55 per cent in Italy and 26 per cent in the United Kingdon.

Canada ranks behind the United States with less than 1 per cent in spite of its huge hydro capacity. There could be no better example of the inadequacy of our system not only in regards to its needs but also to the resources it uses. Air transportation is by all means the most polluting. It is more polluting and energy–consuming than rail transportation, which brings me to the issue of the high–speed trains, which I will address strictly from the point of view of environment protection, since my colleague for Laval–Centre will later review the whole issue.

As we know, the French high–speed train and also other rapid trains as the German ICE, the German Trans–Rapid, for example, can easily keep up with planes as for the duration of long–distance travel.

• (1215)

Thus, with better rates and lower consumption levels than the air transportation, the high–speed train in particular proves to be an environment friendly alternative while meeting the speed and comfort needs of travellers.

Mr. Speaker, the train is very competitive as far as energy consumption is concerned. At high as well as at low speed, it can, in most cases, use electric power.

Any measure aimed at an increased use of railroads should be supported by an adequate fiscal and regulatory policy. As things stand right now, the railway companies do not get any tax benefits resulting from the fuel tax for example. If the government wants us to believe it is serious about giving a new start to the rail transportation industry, it must first provide for tax arrangements which will promote an increased use of the train.

The railway industry should get the same benefits as its main competitor, the trucking industry. It is urgent that the government brings its tax measures up to date because, at present, they indirectly support the trucking industry while railroad companies have to establish and maintain their networks themselves. Truck operators do not pay for the maintenance and the construction of the roads although they contribute largely to the deterioration of that infrastructure.

Road transportation is very expensive because roads have to be repaired and rebuilt. It is also environmentally very costly because it takes up large spaces. A highway requires six times as much space as a railway. It was also established that you would need sixteen highway lanes to move as many people in one hour as you would on two railroad lines.

One Eastern Quebec group, the Comité de la protection de la santé et de l'environnement, in a brief submitted in 1989, provided figures showing the basic advantages of a railroad–oriented approach. We tend to forget about them. The committee members estimated that the building of one highway mile requires 20 acres of land while the building of one railroad mile requires only 6 acres of land. The issue is not land scarcity but optimum land use.

So I explained why, in terms of transportation, we must do more to support the railroad industry. At this point, it would be useful to consider how this much desired expansion will proceed.

Many stakeholders in the transportation industry are pressing for a national, integrated transportation policy. We need a policy that allows for competition and market forces and deals even–handedly with all modes of transportation in this country. It should also get rid of all the tax inequities that put the railway sector at risk.

We have an extensive railway network that, although not in good shape, could provide some interesting opportunities. From a strictly economic point of view, revitalizing our railway infrastructure should be the first step, before we consider intermodal or multimodal approaches.

Actually, users depend increasingly on the combined use of several transportation modes. Introducing intermodal technologies, including equipment that allows for the quick transfer of goods from trucks or ships to trains, will revitalize the railway freight industry.

Intermodal is the future of the railways. In 1991, revenue generated by intermodal activities for Canadian National and Canadian Pacific totalled $745 million. This amount represented 6 per cent of the total tonnage of railway activity and 13 per cent of the total revenues of CN and CP. In the past few years, both companies have made substantial investments to adjust to new market demands. Taking a comprehensive and integrated approach to transportation will support these companies in their efforts to go beyond the traditional markets of the railways.

• (1220)

The total volume of intermodal traffic at CN and CP in 1991 was 12.2 million tonnes. Of all activity sectors using intermodal transportation, import export is by far the most important one, representing half of the total tonnage.

In the present context of market globalization, one cannot overemphasize the importance of strengthening our import export activities. Without wishing to sound like a science fiction writer, I think it is entirely realistic to say that the intermodal approach is indispensable if Canada and Quebec are to take their place in the vast global market that will develop in the twenty–first century.

To do so, however, we need the railways. This government is doing the exact opposite of what is now being done by the Europeans. In Europe, decision–makers have understood the pride of place the railways should have in economic development. Canada uses its railway infrastructures for freight and passenger transportation ten times less frequently than do most

European countries. Trade within the European common market is efficient and effective as a result of a policy that integrates all transportation modes, while considering the merits of each one, to make them function as a powerful development tool that is able to satisfy both economic interests and environmental concerns.

The European Commission estimates that between 1990 and 2010, the volume of freight hauled by trucks will increase by 42 per cent. Alarmed by road traffic which will eventually be totally out of control, leaders of the European Community are proposing to transfer, as much as possible, the transportation of goods from road to rail and water.

Railway transportation of goods is being encouraged by European governments concerned by the worsening of environmental damage caused by an excessive reliance on road transportation. When you consider that in France, in Italy or in Spain the volume of road traffic is about 6.5 times that of rail traffic, while in Canada the ratio is 1 to 76, you realize that it is high time that we should do the same.

An integrated transport policy requires the establishment of a basic railway network. Such a network, essential and specialized, would have to be set up in co–operation with the provinces, since they would have major economic interests in it.

To be effective, the federal government intervention would have to recognize the jurisdiction of its provincial partners in an integrated transportation system. Government action must balance federal responsibilities in rail transportation and provincial jurisdiction in road transportation. Integration does not necessarily mean uniformity.

In the meantime, while we wait for an all–Canada network, we should impose a moratorium on railways to avoid the senseless and premature destruction of valuable rail infrastructures. We have to stop the haemorrhage of rail line abandonment in Canada, and in Quebec in particular. At the rate we are going, by the time the transport minister finally realizes that this country needs a basic railway network that harmoniously integrates all means of transportation, it will be too late.

That is why a moratorium is so important. It will allow us to analyze the planned abandonment of lines, on an individual basis, and mainly to evaluate the potential role these lines could play in the future basic railway network we must put in place.

The railway industry must be put back on track. There is no better way to say it. When the whole world, including our southern neighbours, is increasingly relying on railway transportation, in Canada, we are increasingly relegating it to a bygone era, a nostalgic past.

Instead of paying tribute to the memory of the Fathers of Confederation, we should do Canadian taxpayers a huge favour by stimulating trade through the railway industry. Railway transportation is undeniably an essential service.

• (1225)

It is high time to take advantage of the economic, social and environmental benefits of railway use. We need public commitment. Sweden and a unified Germany are already planning to invest as much in their railway system as in their road network. Of course, an eventual public commitment will have to be accompanied by measures to eliminate such irritants as unfair transportation subsidies and tax exemptions on fuel which are not generalized.

Most of all, it is high time to put in place a basic network integrating all means of transportation, in a co–operative, non–confrontational manner. As long as an integrated transportation policy has not been given serious consideration, the under–utilization of Canadian rail lines cannot be used as an argument to justify their abandonment.

The status of Quebec in the next century should not interfere with this super network project. Europeans have such a network, although Europe is made up of numerous sovereign states which are all participating in the economic development of the continent. With NAFTA around the corner, we must draw our inspiration from the accomplishments of the world communities.

We hope that, in the 21st century, all of North America will be connected to a huge modern, efficient, viable, reliable, and affordable transportation network that will make it easier to move goods and people while respecting the environment. Such is the challenge ahead of us. If we do not want to miss the boat, now is the time to take action.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I listened with great interest to the presentation made by the hon. member opposite and I think that he made very important points on some issues, particularly the importance of the environmental impact of emissions, a common problem related to heavy trucking in Quebec and all of Canada of course. He also touched on sustainable development. His transportation costs analysis was very interesting and I wish to take this opportunity to commend his work on this.

This leads me to the following question. The hon. member claims to be extremely sensitive to all these issues and talks about a corporate national transportation policy. The problem I have with this is that a national policy would, of course, be applied across Canada. So, I wonder how he would make such a plan work if Quebec were to become independent and separate from the rest of Canada. Also, in the present context, what role

would he see Quebec and the other provinces play with regard to road taxes? Could they possibly be reduced?

He must have more frequent dealings with his Quebec counterparts than I do. What is Quebec's position on this issue? How can road taxes be reduced? How could Quebec be made a part of the Canadian family in relation to a national transportation policy? I would like to hear what the hon. member has to say on this issue.

**Mr. Mercier:** Mr. Speaker, although I am certainly closer to my colleagues in Quebec City than the hon. member for Bonaventure—Îles–de–la–Madeleine, I would not presume to speak on their behalf about their proposed fiscal policy on fuel taxes.

I see that my hon. colleague is very concerned about the lack of accountability, in his opinion, of several states in establishing a rail network. My colleague has just pointed out to him that the train between Brussels and Lille crosses the border without stopping. Since I come from that region, I can assure him that this did not start with the high–speed trains but decades ago. The networks are generally international, except perhaps in Japan and Madagascar, which is another island. I did not check.

Generally speaking, however, every country that is part of an international network is concerned about the quality of rail service in the other countries, because the quality of the whole network depends on the quality of rail service in each of its components.

• (1230)

If we are interested in the quality of the federal network, it is because we think, despite our sovereignist views, that the quality of Quebec rail service depends on the quality of the North American network in a very general way. Canada and Quebec, which is now a province, must of course work together to build this great North American network which, in the national interest, must be as good here as in the other countries.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, it is true that the hon. member comes from Europe. There is no doubt that when we are talking about the EEC, the historical context is very different in the case of this association of European countries. Let us not forget that a war had just ended in Europe; in spite of that, there was a common desire to regroup.

I should mention for the benefit of those who are listening to us that the EEC started with the Group of Six, followed later by the Group of Twelve, before eventually becoming a larger body with more member countries. Canada does have an advantage however in that it already has national policies which are almost the envy of Europe, with respect to the way we treat our provinces and communities.

Once again, I would really like to know how Quebec's transportation industry could benefit from separation. Everything would have to be renegotiated and I think the member opposite will admit that there might be some hesitation on the part of the other provinces, and even the United States, to negotiate with an independent country.

The member should tell us how Quebec could renegotiate a national transportation policy in the event of a break–up of the country and a tougher stand by Quebec itself or by the other provinces.

**Mr. Mercier:** Mr. Speaker, of course, if Quebec becomes independent, there will be several technical questions to settle, and the issue of rail transportation will just be one of them. However, the hon. member must understand that, even though this issue will come up, it will not be impossible to resolve. It will only be one more issue to settle.

Among other things, separation will enable Quebec to electrify its rail lines, which would increase consumption of its national source of energy instead of what it considers imported energy, with all the environmental benefits this implies.

Also, we could elaborate a policy according to our own national interests, instead of watering them down with other interests, and not only where rail transportation is concerned, but in other areas as well. Everyone knows that, in the rail transportation area, Western Canada has always been in favour with the government and has received very generous gifts paid for by every Canadian taxpayer.

Once Quebec becomes independent, it will not have to pay for gifts that do not benefit Quebecers and it will look after its own national interests, but always in a spirit of co–operation and continuity with Canada and North America.

**Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ):** Mr. Speaker, it is with great pleasure that I rise to take part in this debate. I have been asking for weeks that an opposition day be devoted to railways. That is why I am pleased to enter this debate.

• (1235)

Before dealing with my main topic, I would like to respond briefly to comments the transport minister made in the House today.

First of all, the minister accused the official opposition of standing for the status quo as far as rail transport is concerned. In other words, the Bloc Quebecois would be in favour of the status quo in transportation, and more particularly in railways.

Let me emphasize that such is not the position of the Bloc Quebecois, and the minister knows it. His comments are sheer grand standing for the benefit of his constituency, and they do not relate in any way to the subject matter. Those comments demonstrate that this Liberal government does not take rail

transportation seriously. One clue to that is the comments by the Minister of Transport; another is that the government seems to rely only on the hon. member for Bonaventure—Îles–de–la–Madeleine to respond to remarks by Bloc Quebecois members. He often seems to lead us off into debates that have nothing to do with the debate at hand. Clearly, the government does not take rail transportation seriously.

As my colleague, the hon. member for Beauport—Montmorency—Orléans pointed out this morning, the Bloc Quebecois has been asking for almost a year that the Standing Committee on Transport examine the whole issue of rail transportation. This has been denied us for all kinds of reasons, each one shakier than the other, and this means that after a year of Liberal government we are in a worse situation than before.

I can tell the Minister of Transport right off the bat that what the Bloc Quebecois wants is to know where the government is going in the area of rail transportation. His responsibility is to tell us what direction he is taking, what he intends to do after a year in his portfolio. We want the government to protect the interests of all Canadians, but more precisely, as far as I am concerned, the interests of Quebecers and particularly the interests of my constituents, severely affected by the decisions the government is taking in the area of rail transportation. I will come back to that.

We want a real public debate on the future of rail transportation. We want real solutions. We, in the Bloc Quebecois, refuse to identify as the only scapegoats employees of CN and CP and their so–called golden collective agreements. When you consider the perks given to the president of CN, which were mentioned by my colleague from Beauport—Montmorency—Orléans, and the outrageous benefit that a house represents, I think it is rather foolish on the part of the government to single out unionized workers for the lack of profitability of rail transportation in Canada, especially east of Winnipeg.

The reasons why I insisted for so long for a debate on this subject led me to wonder about the future of a rail network in Quebec.

• (1240)

And I will say right away for the benefit of the hon. member for Bonaventure—Îles–de–la–Madeleine that my comments arise primarily from a concern about the future of the rail system in Quebec, linked of course, with North America as a whole.

I have been looking at the rail question for several months now, and have seen the threat of the slow but systematic destruction of its rail network looming over Quebec.

My riding, Mégantic—Compton—Stanstead, provides the perfect example of the sort of hypocritical manoeuvre the federal government is planning to carry out in Quebec. The abandonment of the line linking Sherbrooke, in the Eastern Townships, and Saint John in New Brunswick, is being threatened for January 1, 1995. This abandonment was ordered by the National Transportation Agency under the former government. I mention this again so that the hon. member for Bonaventure—Îles–de–la–Madeleine will not have to rise in the House and blame the leader of the opposition for all the decisions taken since the beginning of Confederation.

This abandonment would be a real economic disaster for the Eastern Townships, with potentially devastating consequences for the entire area, and I would go so far as to say for the whole of the Eastern Townships.

And yet, while we are experiencing a crisis of major changes and drastic cuts in the rail industry in Quebec and in Canada, the Standing Committee on Transport—and I point this out again—has always systematically refused to look at the rail question, despite the repeated requests of the official opposition representative.

We are told that the committee must focus on the future of the aviation industry, the future of airports, and that there is therefore no time for the future of rail, an industry that in 1993 employed close to 50,000 people across the country. No time! The committee has no time! Realizing the ridiculousness of the situation, the Minister of Transport announced, last September 29, the creation of a task force to examine the possible privatization of CN.

But to make sure it would not interfere with schemes to dismantle the Quebec railway system, the minister took the trouble of appointing an all Liberal task force, with only one member from Quebec sitting on it. The minister need not worry; this task force is not likely to make much noise.

The question we must ask ourselves at this point is: why is the government so afraid of having Bloc members on this task force? Why have such a suspicious behaviour that resembles a conspiracy? Upon analyzing the whole issue, the federal government's sinister intentions in the railway system become clear.

I would now like to review briefly the events of the past year regarding the rail issue. The minister referred to it this morning.

First, there was the statement made by the CN chairman, Mr. Paul Tellier, in December 1992, who apparently wanted to merge the CN and CP railway systems. This period of a few months was referred to as the CN–CP operations consolidation period. For reasons unknown to us, since all was done in secret, this plan fell through sometime around June 1994.

• (1245)

Then, and it is still on the table, CP Rail presented a bid to purchase CN assets for $1.4 billion.

A few weeks ago, Bloc Quebecois members have met with senior CP executives to clarify the contents of the proposal put before CN management and government authorities. We came out from this meeting with more questions than answers.

As I said earlier, we are particularly concerned about the fact that the federal government seems to want to divest itself of assets that belong to the people of Quebec and Canada as a whole. Regarding the CN railway system, we must bear in mind that this is a public company. Therefore, CN facilities across the country belong to the taxpayers of Quebec and Canada.

We are very concerned that a private company like CP could buy this system and then do whatever it feels like with it. This is the main criticism we, the Official Opposition, are directing at the government.

As we said in our motion, which refers to the government's lack of transparency on this issue, we find it unconscionable that the government is making decisions on the future of the public rail system, at least the part belonging to CN, without the people—or at least the socio-economic stakeholders—, the Official Opposition and the Reform Party being consulted on and participating in the upcoming decision on the future of the rail system.

Regarding the sale of facilities to CP, we will need much more information and many more assurances from the government if it wants us to approve this deal.

Most of the Quebec portion of the CP line from Saint John, New Brunswick, to Sherbrooke goes through my riding of Mégantic—Compton—Stanstead. This line belongs to CP. For several years now, we have witnessed CP's "demarketing effort" to discourage potential industrial clients from using their services, as well as the difficulties experienced by local people. Their attitude seems slightly different today since CP needs people's support to buy CN—But when we see how difficult it was in the past to obtain information from CP, we are entitled to ask ourselves what will happen when this company takes over the whole network in Eastern Canada, and especially in Quebec. It would take compelling arguments to convince me that this is a good deal.

I would like to say a word about the federal government's criteria for assessing the networks to be abandoned or sold off.

• (1250)

Everyone agrees that the two main criteria are profitability and the public interest. Everyone also agrees that east of Winnipeg—and this is not partisan separatist talk, because it affects Ontario and the Maritimes as well as Quebec—profitability is the criterion used by the National Transportation Agency to decide on the future of a railway or branch line.

How can local people show that a rail line is profitable? I would say that they almost have to prove it foot by foot and not for the whole line. I will just give an example to illustrate what I am saying. The rail line which concerns me, the one from Saint John to Sherbrooke, has a client about 10 km west of Sherbrooke called Eka Nobel. This company alone does over $3.5 million of business with CP every year to move its merchandise.

When the time came to consider the profitability of the railway east of Sherbrooke, this customer located 15 km west of Sherbrooke was not taken into account. This shows the ridiculousness of such a situation where figures are made to say what one wants them to say.

For the future of railways in western Canada, public interest is the criterion used. To prove this point, and no one can challenge this, I take the subsidies for shipping western wheat; for the current year, about $600 million of our tax money will be used to pay for the transportation of wheat in the West. There is no equivalent in eastern Canada. This policy is a double standard which obviously puts rail service in eastern Canada at a disadvantage.

To conclude, I would like to say a word about the future of rail transport, since this morning, the minister—as I said and repeated earlier—accused the Official Opposition of wanting to maintain the status quo. When my colleague who spoke just before me talked about a moratorium on abandoning rail lines throughout Canada, and especially in Quebec, the reason we are asking for a moratorium is not to maintain the status quo but to let the local and regional stakeholders and the Government of Quebec meet with representatives of the federal government to discuss alternatives. Alternatives exist. Later today, some of my other colleagues will talk about short lines, which Quebec law encourages and permits. To establish a short line, the local community must take charge.

One of the problems the railway system has to face is the loss of interest of the population these last few years. There are several reasons for this change of attitude, including the fact that the railway companies, the CN and the CP, have chosen to keep their operations secret. Because of the way the CP handled things in my area, potential users no longer want to do business with this railway company, and our people lost interest.

So, we need to hold a real debate. This is why I hope the speeches made today in this House will not close the debate on the railway system, but rather launch a truly public debate on the issue, a debate in which the government and the opposition should take part and make their position known, to reassure the population that the railway system will be maintained and expanded throughout Canada.

• (1255)

On a more specific note, I want to say that in Quebec and in my riding, there can be no economic future without a profitable railway system, and such a railway system can obviously ensure economic development and also be financially viable. To do so, we need the co–operation of all the people involved. This is what we, in the Bloc, are trying to do and we can only hope that the government join us in our efforts.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I listened with great interest to the hon. member's comments. We are discussing a national policy, but the previous speaker talked about converting Quebec's railway system to electric power.

I find it hard to see how we could ensure national co–ordination if electricity is used in Quebec but not in the rest of Canada. I would really like to know what would be the costs of an independent service in Quebec, as proposed by the opposition, and I wonder if the hon. member can provide an answer to this very legitimate question.

**Mr. Bernier (Mégantic—Compton—Stanstead):** Mr. Speaker, with all due respect for the hon. member representing Bonaventure—Îles–de–la–Madeleine, I realize that he does not know anything about the railroad issue and I would hope that, in the few hours of debate left, the government will be represented by people who have some basic knowledge of the issue.

When Bloc Quebecois members, and certainly myself, talk about the future of the railway system in Quebec, it is of course in the context of a larger network which would include surrounding provincial or federal states, including the United States. I remind the hon. member for Bonaventure—Îles–de–la–Madeleine that, during the debate on free trade, sovereignists were the strongest and most vocal supporters of that option. In fact, Conservative Prime Minister Brian Mulroney paid tribute to the current deputy premier of Quebec, Mr. Bernard Landry, who travelled across Quebec, and even Canada, in support of the free trade accord with the United States, back in 1988.

Sovereignists are not afraid of economic challenges. We have no problem whatsoever with competing. We are well aware that we live in North America and we want to develop economic, cultural and social links as much with Canada as with the United States. In that respect, the railway system is a tool among others. My colleague, who has experienced railway systems in Europe, made it very clear a few minutes ago. In Europe, railways cross borders almost every 600 or 700 kilometres and there is no problem. Nobody ever said: "We will have a network in France, but no connection with Belgium, Italy or Spain".

Obviously, when my colleagues and I think about railway development, what we have in mind is a network linked to all of Canada, as well as the United States. In fact, the railroad in my riding is an international line, since it goes across Quebec and Maine, on to New Brunswick. It goes without saying that we must think in terms of the whole continent when we look at the railway system. We hope to save our domestic network so as to be able to connect with American networks as well as Canada.

• (1300)

As regards the use of electricity, it is one of many options, and as good as many others. My colleague was simply trying to show that, with a bit of imagination, there are solutions which could ensure a promising future for the railways.

**Mr. Mercier:** Mr. Speaker, the hon. member for Bonaventure—Îles–de–la–Madeleine made a reference to what I said about electrification, so I would like to add that electrification is an option that offers tremendous economic as well as environmental benefits, for Quebec and Ontario, two provinces that produce large amounts of electric power.

What I meant is that if Quebec were a sovereign State, it could look at the option of electrification more independently and with greater emphasis on national interests, I would say, than would be the case today, when we have people lobbying to maintain the use of oil. I may add that some railway lines, and I have travelled on these, use oil on one section and electricity on another section. It is not a major problem.

**The Acting Speaker (Mr. Kilger):** Does the hon. member for Mégantic—Compton—Stanstead wish to comment?

**Mr. Bernier (Mégantic—Compton—Stanstead):** Do I have any time left?

**The Acting Speaker (Mr. Kilger):** Yes, of course.

**Mr. Bernier (Mégantic—Compton—Stanstead):** Yes, Mr. Speaker, I would like to elaborate on what the hon. member just said. Basically, his point was, and I mentioned this earlier, that we should look at all the options or at least keep all our options open in the railway transportation sector as in all other sectors.

The hon. member for Bonaventure—Îles–de–la–Madeleine asked some of my colleagues what position the Government of Quebec would take on this matter and what the position of the municipalities would be on taxation. He was referring to the fuel tax.

I would like to comment briefly in this respect, since during the past year, I was very involved in working with people in my community to raise public awareness of the future of railway transportation. I think that important progress was made during the past few weeks, and I am delighted to see that.

I also had an opportunity to talk to municipal authorities, who told me they had no objection to reviewing their right to raise property taxes and to business people who expressed an interest in investing in short–line railway companies. In fact, the only ingredient still lacking is a clear–cut decision by the govemment and the Minister of Transport to include the public or its representatives in this debate.

So far, and we see this in the so–called task force set up by the Minister of Transport, there is no room for the opposition, not for the Official Opposition and not for the Reform Party. As far as consultations with the industry are concerned, there are a monumental farce, and that is why we are telling our stakeholders to boycott these consultations, since their only purpose is to let the government hear what it wants to hear. What we need is genuine consultations across Canada, and I am prepared to co–operate with the government and let our intervenors come and say what they think of railway transportation and what they are prepared to do to ensure its future.

• (1305)

**Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.):** First of all, Mr. Speaker, I wish to commend the open–mindedness the hon. member for Mégantic—Compton—Stanstead has shown in advocating a national railway system from coast to coast, that is to say from the Atlantic to the Pacific and, of course, going across Quebec.

It is with pleasure that I will be talking today about a critical element of Canada's infrastructure, CN North America. CN is the largest rail carrier in Canada as well as the largest federal crown corporation with assets over $5 billion and revenues in 1994 forecasted at over $4 billion. CN North America operates an extensive network of 18,000 miles and provides about 30,000 jobs across the country. It serves shippers in 8 provinces giving them access to all major canadian ports and to markets in the U.S.

CN North America has faced several difficult challenges over its existence and, more particularly, over the last few years. Let me explain, the market for rail has changed dramatically and motor carriers now compete vigorously against rail carriers. The commodities best served by rail are under growing world price pressure and are demanding lower transportation rates. Shippers from the manufacturing sector are demanding better services in terms of reliability and rapidity.

All these factors have affected the financial performance of CN North America and resulted in continued losses over the past few years. However Mr. Speaker I believe that CN North America has begun to take the necessary steps to improve its future performance. The company is rationalizing its network. It is abondoning the few remaining lines where there is simply no traffic and selling to local entrepreneurs the lines that serve local markets and can be operated profitably by a small–scale railway company.

These regional railways or shortlines are usually more responsive to local shipper's needs and consequently provide services of equal or higher quality than class 1 carriers. In addition, their more flexible work rules allow them to adapt quickly to market demands and make them a lower cost solution than the traditional class 1 carriers.

In addition to rationalizing its network, CN North America is currently implementing a major labour reduction initiative. The company announced in 1992 that 11,000 jobs would be eliminated over three years. That announcement resulted in a significant write–down and a loss over $1 billion in that year. But it also signalled to the financial market, the company's firm intention to control its costs.

CN North America is now in the second year of this initiative. It recently confirmed that 70 per cent of the cuts have been made. This iniative represents an important change in the organization that needed to be made if CN North America is to become a viable operation.

CN North America has also increased its marketing effort and is investing to offer shippers the best service available. The expansion of the Sarnia tunnel is perfect example of an investment that will give the company a competitive edge over it competitors in the intermodal market. By investing over $200 million to expand the Sarnia tunnel, CN North America will soon be able to move double–stack containers between Montreal, Toronto and Chicago. This could represent savings of 12 hours for shipments going to Chicago.

• (1310)

Another good example of CN North America's strive for improved service is the recent purchase by the company of a leading–edge information system that will track individual shipments from pick–up to delivery. It will now be possible for CN North America and its shippers to know exactly where a shipment is and when it will get to its final destination.

I am glad to inform the House that CN North America is starting to reap the benefits of its ongoing efforts. The company earned $186 million for the nine months ended september 30, compared with a loss of $41 million in the comparable period in 1993. The company could earn as much as $225 million profit this year, which would break the long series of losses experienced over the last few years.

However, this year's profit is not yet the happy ending we are all hoping for CN North America. The company's debt remains at $2,2 billion, a very high level. And the profit in 1994 will not be sufficient to reduce the debt significantly because of important requirements for capital investment.

CN North America must continue to invest in its infrastructure to respond to growing demand and to reduce its costs. Higher profit over several years will be necessary to start reducing CN North America's debt. Fortunately, the recent cost–cutting and revenue–enhancing intiatives undertaken by CN North America put the company in a position to reap the benefits of the current strong economic growth and establish the base for a viable rail operation.

We are all aware that on september 22, Canadian Pacific Ltd. presented to government an unsolicited proposal to purchase CN North America's eastern assets. The offer came a few months after the failure of merger discussions between CN North America and Canadian Pacific Ltd.

You will recall that Canadian Pacific Ltd. and CN North America initiated these merger discussions more than a year ago in an attempt to consolidate their money–losing operations in eastern Canada. The discussions failed when the companies could not agree on the value of the assets they were each contributing to the deal.

The governement is now reviewing CP's bid to assess the many implications for the rail industry, shippers, rail employees and taxpayers. In particular, government is reviewing the competitive implications of the proposed bid for shippers located in eastern Canada as well as the likely impacts on transcontinental traffic and western shippers.

The review will also include an assessment of employment impacts of the take over. And government has retained the professional service of wood gundy, and investment banking firm, to provide advice on the financial aspects of the proposed transaction.

The overall review is proceeding quickly but the government made it clear that it would take all the time required to conduct a proper assessment of the offer.

This unsolicited bid prompted the Minister of Transport to announce on september 29 the creation of a task force on the commercialization of CN North America. The task force, chaired by my colleague from Kenora–Rainy River, Robert Nault, will focus on commercialization of the company, including potential employee participation.

The task force will seek input from a variety of stakeholders in the rail industry, including railway employees, shippers, provinces, communities and the railways.

To date, the task force has been briefed by senior executives from CN North America and other rail industry experts, by the Canadian Railway Labour Association and by the National Transportation Agency.

• (1315)

Public consultations will start next week on november 22 in Ottawa and will be held in a dozen of other cities across the country over the next month. The task force is expected to report to the minister of transport by the end of the year.

I want to emphasize that the task force review is only one element of government initiatives to streamline its operations and review its role to define what must be done by government and what could be accomplished by the private sector. Accordingly, Transport Canada is currently reviewing all its operations to determine what activities could be better accomplished by the private sector or in partnership with the private sector.

In the rail sector, Transport Canada has undertaken a review of the industry to determine the key elements impeding railway's performance. The objective is to define a strategy dealing with these issues that will improve the railways' ability to compete and provide efficient and affordable service to canadian shippers.

Transport Canada has concluded a series of regional consultations on the rail industry where shippers, the railways and unions were asked for recommendations to improve the railways' performance and ability to compete. The discussions covered several issues from railway management, labour practices to rail regulations.

In parallel to the consultations, Transport Canada is taking a close look at its regulations to ensure that our transportation companies, including the railways, operate in an environment that favour efficient use of resources and high–quality service for shippers.

Obviously, the future of CN North America will be affected by all these initiatives. Changes in the rail industry as well as changes in the perception of government's role vis–a–vis crown corporations would have a direct impact on CN North America. It is too early to speculate on what the future of CN North America will be. The government has undertaken a series of reviews that will all affect the corporation: a review of the environment in which the corporation operates; an assessment of CP's unsolicited bid, and a review of the potential merits of commercializing CN North America.

The company has begun to take the necessary steps to become an efficient rail operation. The conclusions of these reviews will be instrumental in maximising the benefits of CN North America's initiatives. The government will ensure that railways operate in an environment that allows them to freely compete and gives them the opportunity to adapt to shipper's demands in an efficient and affordable manner.

In this context, the future of CN North America will be determined by what is best for the rail industry but also for canadian shippers and the canadian people.

[*English*]

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, it is a pleasure to participate in debate on the opposition day motion concerning the inaction and lack of transparency of the government with respect to the potential restructuring of Canada's railways.

I look upon this as an opportunity to speak about the vision, history, and fabric of this great nation. It is difficult not to be nostalgic and perhaps a bit sentimental when one speaks of a symbol of our heritage, a simple yet binding line of steel that forged the country and tied a fledgling nation together over 125 years ago.

What child of our generation can forget running to a window to watch the train or the haunting late night blast of its steam whistle belching clouds of smoke? The steam, coal and smoke may be gone, replaced by diesel turbines and electric motors, but the memory lives on. Or, does it? And if it does, for how long?

• (1320)

In preparing for this speech I could not help but recall two formative pieces of Canadian literary work, *The National Dream* and *The Last Spike*. Pierre Berton's comprehensive works on CP Rail and the line of steel that brought my home province of British Columbia into Confederation are enduring. It is hard to forget the concluding paragraphs of Berton's work as the last spike is driven at Craigellachie and the tiny engine rolls through the mountains, down the escarpment to the Fraser Valley meadows, off to the blue Pacific and on into history. This is the legend, the lore, and what brought the country together.

Nothing is static. While one can reminisce about the past, its simplicity and fragile beauty, a country marches on and not always as it should. Change is not always improvement. Motion is not always progress. Simple men sometimes lack the vision of our forefathers and choices are not always the right ones.

We are here today to question and debate where we are going as a country not in all dimensions but in one fundamental basic dimension: rail travel, be it CN, CP or VIA Rail. We are here to question our vision, our progress and our choices.

Despite what the current administration thinks sometimes money cannot buy vision. It cannot, as in this instance, buy decisiveness in our rail policy for the country. The fact remains that the government has shown complete disregard for a rail policy for Canada.

As in the 1860s times have changed. The solutions we used to forge rail policy in the 1960s and 1970s are not compatible with today's problems, including the movement of freight and people. While an enlightened rail policy could forge new dynamics in transportation in Canada, the current government holds any mention of vision or change in contempt. Worn out political hacks at CN headquarters in Montreal work in secret. Their vision parallels that of the Bloc's motion of unrealistic $7 billion to $10 billion rail corridors bordering the St. Lawrence River. These are monuments to the greed and largesse of better days, not sensible alternatives to the inertia that really grips these people.

This is not 1860. Government and the public sector are not masters of all. There is no bottomless pit of inflated dollars for high speed rail corridors. The torch has been passed and the notion that the government or the public sector can do it better does not pass the litmus test of the 1990s. So–called privateers like the Bombardiers who like to innovate as long as government dollars are there are not solutions but drains, and no more so than in rail policy.

The Reform Party promotes a vision that promotes privatization and spinoff of federal transport operations into private hands. The Reform Party supports the Bloc's motion condemning the government's shoddy if not non–existent rail policies. Who knows what the future holds for CN or CP Rail?

The Reform Party supports CP's recent offer to purchase CN's eastern operations. How has the transport minister reacted? It has been with scorn, hesitation and indecisiveness. Is this a rail policy? What is he waiting for, a better offer? No, he is content with the status quo. In many ways this attitude is as dispensable as the steam whistle and the clouds of smoke. If the minister is devoid of solutions or visions why not open the process to public review and scrutiny?

• (1325)

A ribbon of steel from east to west has become an ever decreasing concentric circle where we end up meeting ourselves. We are going nowhere. Let us look at VIA Rail, the sinkhole of inefficiency. It is one of the biggest money losing, overbureaucratised entities in Canadian transportation. This is not because of rank and file VIA Rail employees. No, it takes a special public service background and mentality to run a railroad into the ground and make six–figure salaries while doing it.

Without question putting VIA Rail in private hands would cut costs, revitalize the corporation and its people, and allow it to return many passenger routes that have been abandoned or are in danger of being cut. It does not take any vision to keep cutting and make a few dollars, but in the case of VIA it does take a special touch to cut and still lose money.

If VIA were to be turned over to private entrepreneurs marginal routes could once again be viable, but not as long as VIA is publicly owned. Complacency and debt endure forever. VIA Rail has exhibited no marketing strategy, business plan or a scintilla of vision in its current operation.

Talking about government funded, billion dollar, high speed, government run rail corridors ensures more of the same. Why are the Bloc and the government afraid to pass it on to those better suited and able to run a railroad?

If private investors were given annual funding to the tune of $330 million, as VIA will receive this year, do we really think they would squander it on high salaries for their executives? Why is VIA receiving these kinds of grants and still losing money while cutting routes and service?

Speaking of management, in 1992 CN cut 10,000 jobs and lost $1 billion. That same year CP applied for abandonment of all lines east of Sherbrooke. Just where are we going? Do we know? Eventually the Reform Party could see the government abandoning its stake in CN Rail by turning it over to private investors. Governments should no longer be in the business of directly subsidizing our national transport system.

The government is unwilling to admit its policy flaws and clings to the good old days of decades ago where throwing money at a problem was solving it. In reality we have no rail policy and a debt ridden CN Rail still at the trough.

However the Reform Party feels that government cannot simply abandon its financial stake in the transport industry without having the sense to recognize how much revision needs to be enacted to bring transport legislation into the 1990s. Present legislation harshly though unofficially penalizes the rail industry through the present federal tax structure. It behoves the government, particularly the Minister of Transport, to rewrite rail policy, clear up the anomalies, and set a strategy in place to allow investors to enter the arena with clear parameters.

To encourage and support this new policy regime, the Reform Party suggests the following measures. First, we would encourage through tax reforms and low interest loans the development of short line rail operators in regions of the country where major rail companies are no longer viable or willing to provide the amount of capital needed to recreate a viable rail transportation industry.

• (1330)

Second, we would negotiate the reform of the provincial component of the property and fuel tax structure for both main and secondary rail operators to bring these costs more into line with their U.S. counterparts.

Third, we would formally recognize through federal tax reform the environmental safety and infrastructure benefits provided by rail transport as opposed to modes such as long haul trucking.

Finally, in relation to the last point, we need a thorough and fair revision in the overall taxation structure for the nation's trucking industry to bring it more fairly into line with the costs now being incurred by rail companies.

Currently the government gives with one hand and takes with the other. Since taking power last year the government has done an inadequate job of protecting Canada's rail industry. It is mired in the past with no clear vision or policy direction. Unlike the Bloc, we feel there should be less and not more public participation. Governments should set guidelines and step out of the way. Right now no one is pleased with the situation and the rail industry is suffering as a consequence.

In the 1860s we completed our rail link to the Pacific. In the late 1930s and 1940s we tied the country together in transcontinental air flight. In the 1960s we completed the trans–Canada highway system. Let not these statements of vision, courage and capacity be diminished by a lack of coherent rail policy in the 1990s.

**The Acting Speaker (Mr. Kilger):** I failed to ask the member for clarification at the beginning of his intervention. Is he going to be splitting his time with his colleague? He used 10 minutes and I do not know if he is subject to five minutes of questions or comments or 10.

If it is the wish of the Reform Party I will recognize the member for Lisgar—Marquette for the remaining 10 minutes. Before I recognize him there will be five minutes of questions and comments.

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, I have one question for the hon. member.

Some time ago a company called the Great Canadian Railtour Company in British Columbia purchased from VIA Rail, an operation known as the Rocky Mountaineer. After it was purchased, VIA Rail, a government crown corporation, then tried to go back on the deal in a number of ways: by manipulating the contract, by reinterpreting the contract and then later, trying to introduce a competitive service on an adjacent line. All of this was against the spirit if not the letter of the contract.

This would be a concern for people who may be looking at purchasing a privatized CN Rail or a portion of it. We would have to look at actions of the minister under such things as the Pearson contract.

In this situation Canadian businesses put together and signed a contract with the government which the government cancelled, as is its right. We are not questioning that right but rather the entire mechanism where the government tried to introduce legislation that would ban it from going to court seeking redress, whatever proper redress might be.

Does the hon. member think that the actions taken by the Minister of Transport with regard to the Pearson contract might impact on private companies looking to buy a portion of CN Rail or the entire operation?

**Mr. Duncan:** Mr. Speaker, the business community seeks many things. One of the things they seek above all else is certainty. Also, they need the ability to work in an environment where they know the rules and where those rules will allow them to clear up any conflicts, particularly through the last court of appeal which is the federal and provincial court system. That is what we call justice and is what our society is built on.

• (1335)

In my view the whole question of the Pearson contract is controversial right now. It is going to create uncertainty in that sphere. The only way we will get to the bottom of it is to settle it through a public inquiry. We need to clear the air, to create fairness and transparency. That is really what we want in asking for the CN task force as well.

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, I listened with intent to the member's dissertation.

I am very interested in the concept of high speed rail transportation for the Montreal–Toronto corridor because those rail systems would go through my riding. I have had some time to examine this.

One of the obvious problems is a matter of population density. It would appear in looking at similar rail systems in other countries—I think of Tokyo and of Paris—that these systems as well do not pay for themselves. We have just watched the recent unveiling of the London to Paris rail system which is encumbered with a huge debt that possibly will never be repaid.

The member spoke about privatization. I guess the question in the back of my mind is this. Is the current Canadian rail system viable as a private enterprise? If it is not viable in its entirety, then would he address breaking up the rail system into small parts and possibly abandoning the whole rail system in parts of Canada?

Is that what the member is proposing, that we break the rail system up, that if private industry decides it is not viable that we cannot get on a train in Toronto and go to British Columbia?

**Mr. Duncan:** Mr. Speaker, several issues were put forward. If high speed rail in this part of the world, as opposed to the west where I am from, is a very good proposal, then I would suggest that if the private sector wants to carry it out, that is fine.

It has to be recognized that government can no longer do these things. It has to be recognized that the federal government is now borrowing money from foreign lenders in order to maintain the operations of government. The country cannot afford these large projects.

Where can we go with our national rail system? We have an example of what happened in New Zealand when it privatized its railroad. The railroad went from being the least efficient in the western world to the most efficient. That changes the economics of many of the branch lines and so on. It does not necessarily mean that every remote branch line will become economical.

As a matter of policy, in a country such as Canada we are in all likelihood going to continue to want to have some of those remote lines. We can do that through incentives or through negotiation.

• (1340)

Whether we are going to do this under the umbrella, whether it will be one large rail system or whether it will be broken up I suggest is more a matter of private sector economics than it is a matter of government policy, or at least it should be. It is very difficult to say which is the better way. It will be a matter of financial accident in a sense as opposed to a master strategy.

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, it is a privilege and a pleasure to speak to the motion of the official opposition. I agree with their motion when it says there is a lack of action of the Liberal government. I somewhat disagree when it says there is a lack of transparency. There is a lot of transparency and I do not like what I see.

When I look at the transportation policy of the present Liberal government it reminds me very much of a continuation of the Liberal transportation policy of the seventies. I see very little difference between that transportation policy and what I have seen brought forward to the House.

In the 1970s the general Liberal philosophy was: "If it ain't working, close it. Don't try fixing it because somebody else will fix it". I remember very vividly in the 1970s the pressure that was put on for the abandonment of some of the inefficient railway branch lines. The public was forced to accept these. The communities where these branch lines were abandoned were promised at that time that money would be saved by abandoning these rail lines and that money would be put into infrastructure in the road system.

It is with great sadness that I report that we have seen none of those infrastructure improvements on the road systems. We are still waiting. When one comes to the rural communities of Manitoba these days, when one wants to drive through the countryside in the end of June after the highway department people have filled in the potholes with some more asphalt—to make sure there would not be a pothole they have put in a little extra so there is a bump—and when the restrictions come off the highways so that we can haul our regular load and farmers get to moving their grain, one will see dozens of farm trucks doing the bunny hop from one pothole bump to the next pothole bump.

We have done this now for 20 years and farmers are getting tired of this type of infrastructure. When the Liberal government proposed the new infrastructure program that is going to cost the general taxpayer about $6 billion, among the first comments I heard from my constituents was: "Jake, make sure that we get something done to our road system. We were promised this in the seventies and we are still waiting".

It is sad, Mr. Speaker, to inform you that we are still waiting. Just recently I checked the infrastructure programs that have been approved in Manitoba. I can tell the House that the rural communities have about one–half of what Winnipeg South Centre constituency received. I do not see any elevator systems or big highways. All I see in that area are projects for new community centres, new swimming pools and that type of a sports luxury infrastructure.

It amazes me when I hear the hon. member on the Liberal side saying that we have a rail system that binds the country together. I must say to him that those rail ties, those pieces of steel do not exist any more in our communities. Those rail ties now line miles and miles of fence line holding up four strands of barbed wire or supporting the boards on a corral fence to keep the cattle separate.

• (1345)

If that is what this government means by binding the country together, by abandoning more of these railways instead of making them efficient, I do not think I want that kind of unity.

The minister asked for input this morning on how to solve some of these problems. I think it was made very clear to the transport minister and also to the agriculture minister in May of this year when the subcommittee on rail car allocations suggested that the grain transportation agency should be done away with. It was causing more of a problem than a help in car allocation.

It was also suggested very strongly by every member on the subcommittee and the agriculture standing committee that we should finally do something about the backtracking. We are wasting millions of dollars by backtracking grain, disrupting the grain handling system. There is a very simple solution and I would like to read a couple of comments out of yesterday's *Quorum*:

> The National Transportation Agency estimates 1.1 million tonnes of grain last year that landed in Thunder Bay was backtracked to Winnipeg, Canadian Pacific Ltd.'s gateway into the U.S. and to Fort Francis, Ont., Canadian National's link to the U.S.

These cars are being held up by backtracking and it is costing us money. It is a very simple problem to solve.

> "It's ludicrous," says Tad Cawkwell, a barley grower in Nut Mountain, Sask. "You don't head north if you want to go south".

It amazes me that our railway system and our grain handling elevators decide when they get to Winnipeg instead of making a 90 degree turn into the U.S. to go south they have to go another 700 kilometres east then come back to Winnipeg and take a left turn south.

What is the result of this? The result is that roughly 13,000 hopper cars filled with Canadian wheat, barley and oats destined for the U.S. each year take a scenic route that is 1,400 kilometres longer than any direct route.

What does the agriculture minister say to a problem like this? It almost surprised me when I saw it in the paper. It really is a bit of a fluke in the system that goes back many years. It simply squanders some of the limited resources we have to overall pay the costs. Is that the type of Liberal government we have that condones that type of policy? I am surprised that we still have a transportation system at all if that is our philosophy of a good transportation system.

I was very pleased this morning when I heard the transportation minister quote a speech from Winnipeg on October 6. I would like to quote a few other stats that he brought forward in that speech. I thought he had a very good handle on what the problems really are and I thought he addressed them very well. I would like to bring them to this House this afternoon.

As he pointed out in one of the first statements, U.S. railways have higher labour productivity than Canadian railways, 64 per cent higher to be exact. The minister does know what one of the problems is. U.S. tonnes per mile are about 66 per cent higher than in Canada. Why is the government acknowledging that this is the case but is not doing anything about it?

Simply, my answer to these questions is that we have grain companies, we have railways that are lobbying very hard not to change the system because it benefits their pockets and they do not really care about what happens to the farmers' pockets. As long as the farmer grows the grain they know they have to ship it and they will continue to bleed us dry for as much as they possibly can.

• (1350)

The transport minister went on to explain that this is a bleak picture, everyone shares in the problem, not just in the failure to respond to changing technology or economic conditions. Other problems were created by governments through excessive regulation and taxation, by railway management, through top heavy structures and by labour, through low productivity and complicated work rules.

When I see the GTA coming out with figures that tell us that for every month during the summer a thousand railway cars or a thousand hopper cars were put into sidings and then taken out empty, I am beginning to wonder who is really looking after the system and how qualified they are to run that system.

When the committee made the recommendation to do away with the grain transportation agency that was one of the wisest recommendations that committee has probably ever made, and it has been followed up on.

The survival of the rail industry is critical to Canada, the minister continued, but it cannot be a survival at any cost. The industry must reinvent itself. How can the industry reinvent itself when we have had increased technology over the last 30 years that never has been really used or has had any effect on increasing the efficiency of this transportation system?

How can this railway system reinvent itself when it costs the railways $6,000 to $7,000 more in just fuel taxes from Toronto to Vancouver than it would take for the same distance in the United States? The government needs these funds and I do not think it is willing to sacrifice them to become more efficient in the rail system. It will have to take place somehow.

What the minister means by reinventing the system is not very clear to me. That is one place where we need transparency. I do not think we can run hopper cars without wheels and make them more efficient.

The other thing I would like to stress, and it was a very important point that the minister brought forward, is that rail has more than 200 separate kinds of actions or decisions that must be approved by the National Transportation Agency. Why are those regulations there? Why has government allowed them to be put in place. It was mostly through lobbying of provincial governments, special interest groups and not by farmers I can guarantee that.

He goes on to say on the following page, and it is almost unbelievable that one would know about these things and not do anything, that in Canada the approval process for conveyance can take up to six months. In the United States approvals are granted in a few days.

I think the minister and the government do know what is happening in the transportation system and they do know what the answers or the solutions are, but the political will has not been shown. It amazes me when I see some of the provinces leading the way in some of this reregulation or deregulation of the transportation system.

Manitoba and Nova Scotia have already taken off some of the property taxes and fuel taxes to the railways to help the system become more efficient and productive. Why can the federal government not make simple legislation in this House to help along some of the provincial initiatives?

Regarding the port of Churchill, when we read about the fumbling and the bungling of the issue of Churchill it always amazes me why there is a port there at all. Here we have a salt water port that would be the envy of the world and every government since the 1970s has either tried to destroy it or somehow put it in a light indicating that it is not effective or efficient.

I hope my input into this question is encouraging this government somewhat to take some action. Inaction is definitely there and transparency can be taken as clear or unclear.

• (1355)

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, I listened with interest to my hon. colleague's speech. With some of the negotiation currently going on between CN and CP there is a possibility that CP may well take over some of CN's track system in the maritimes.

This may be a little thing but there is one thing that bothers me and I wonder if the member could comment. CP changed its logo some time ago and it shows the Canadian flag sort of unfurling and becoming the American flag. I find that very offensive.

In view of the fact that so many Canadians have subsidized and paid for the rail tracking system in the maritimes and east of Winnipeg, I wonder if the member could comment on the appropriateness of having that logo shown over the track system that Canadian taxpayers paid for.

Second, the member talked about infrastructure and the concern for roads in his area. I suggest that the infrastructure spending program and projects, although not directly related to this debate, are selected by the municipality. Therefore, I do not think it is a very fair comment by the member to criticize the federal government. He should really be talking to the municipal politicians.

Third and most important, I listened to the previous member from the Reform Party talk about privatization and I hear this member's concerns about rail abandonment. These seem to be in conflict.

I wonder if the member could explain the abandonment of rail lines in his riding where it is not economically viable.

**Mr. Hoeppner:** Mr. Speaker, I do not know if I can answer all the questions because I do not know if I can keep track of them.

I think the first one had to do with the logo. If I were to put a logo on the CPR, I would call it the sleepy R. I think that would appeal to every farmer in western Canada. I think it is only because of a lack of scrutiny by the previous government that the Western Grain Transportation Act was implemented which gave the railways almost a licence to print money. By having those huge subsidies they were able to expand into the U.S. which they would not have been able to do with some ordinary transportation policy.

When it comes to criticizing the infrastructure program, I just want to ask the member why the ministers on the Liberal side or the people involved with the infrastructure program under the human resources development portfolio seem to get twice the money for their constituencies than any other constituency. This

holds true in Nova Scotia and also in Manitoba. I think that should be looked at very closely as well as where that infrastucture money has gone.

With regard to abandoning rail lines, the member knows the railway is the most efficient way to move products. A lot of these rail lines could probably be repaired instead of abandoned.

**The Speaker:** It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

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# STATEMENTS BY MEMBERS

[*English*]

## NATIONAL ART GALLERY

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, recently I had the opportunity to tour the National Art Gallery. I was appalled as I toured the Canadiana section at the lack of representation of the many fine Canadian artists from western Canada, in particular Saskatchewan.

One would think that the only western artist since the dawn of Canadian art was Emily Carr. She is the only western artist who is prominently displayed in the gallery with more than one piece of art.

Great artists such as Kereluk rate only one or two representations on the walls of the gallery. Other talented artists such as Allan Sapp, Ernest Lindner, William Perehudoff, Dorothy Knowles, Rita Cowley and many other artists recognized across Canada and some around the world do not even rate one.

I am sure that Manitoba, Alberta and British Columbia also have artists who are more than worthy of being displayed.

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[*Translation*]

## TRIBUTE TO FOUR QUEBECERS

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, yesterday the Montreal chapter of the Société Saint–Jean–Baptiste honoured four Quebecers for their exceptional contribution to the culture and society of Quebec.

Mr. Paul Piché, a songwriter and signer has been awarded the title of patriot of the year.

Mrs. Myriam Bédard, who won two gold medals in biathlon at the Lillehamer Winter Olympic Games, received the Maurice–Richard Award for her excellent athletic performance.



Mr. Jacques Bobet, producer, director and scriptwriter at the NFB received the André–Guérin Award for his contribution to cinema.

Finally, the poet, novelist and essayist Fernand Ouellette received the Ludger–Duvernay Award in recognition of the international dimension of his work.

The members of the Bloc Quebecois wish to honour these four great figures all Quebecers are proud of.

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[*English*]

## SAME SEX RELATIONSHIPS

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, the Supreme Court of Canada is currently examining the issue of whether or not family benefits should be extended to same sex relationships under the Charter of Rights and Freedoms.

While the Supreme Court is yet to render a decision on this case, it is important to remember that all such matters should be decided by Parliament and not the courts. It is inappropriate for us as elected representatives to leave it to the courts to design social policy or for the courts to usurp parliamentary authority in these areas. This is a matter for Parliament to decide.

This would ensure that the laws of this land are established and implemented by a democratic process and not by the appointed representatives of the courts. In order to ensure that the voices of the people are truly represented in Parliament this issue must be decided by a free vote.

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## GUN CONTROL

**Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.):** Mr. Speaker, I stand in the House today to once again voice my complete commitment to stricter gun control legislation.

On November 8, Dr. Gary Romalis, my constituent, was shot while eating breakfast in his kitchen. For Canadians incidents of this nature are horrifying and incomprehensible. They should not have to be endured by any society.

I implore all my colleagues to work toward more effective gun control and crime prevention measures. We must make shootings of this nature a thing of the past.

I feel deeply for Dr. Romalis and his family. I know I am joined by all members of this House in wishing him a full and speedy recovery.

I am very disturbed by the number of shootings on Canadian streets and in our homes. As the federal representative for Vancouver South, I will continue to advocate initiatives that will make our streets and homes safer.

*S. O. 31*

## SOCIAL POLICY FORUM

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Mr. Speaker, I rise in the House today to extend a note of thanks to close to 100 of my constituents who participated in my social policy forum held last week in my riding of Parry Sound—Muskoka.

The forum was held over a two day period. It brought together representatives from a wide range of social service providers and interested constituents alike. Eleven panel speakers provided diverse perspectives from organized labour, education, training, the business sector, municipal government, apprenticeship programs and family and children's services. This broad range of insight initiated group discussions to include all issues as brought forward in the discussion paper of the Minister of Human Resources Development.

I wish to extend a special note of thanks to the Parliamentary Secretary to the Minister of Human Resources Development for his active participation in my forum. His input was well received and provided a good foundation on which to base our two day discussions.

I will be providing the minister with the recommendations which came forward from my constituents to ensure that their point of view is heard.

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## NATIONAL YOUTH ORCHESTRA

**Mr. Tony Ianno (Trinity—Spadina, Lib.):** Mr. Speaker, I would like to draw attention to the success story of the National Youth Orchestra of Canada. This unique non–profit organization which is internationally recognized for the quality of its orchestral training is located in my riding of Trinity—Spadina.

Since 1960 the National Youth Orchestra has served as a training ground for young Canadian musicians in the areas of performance and musicianship.

Young musicians use this experience as a launching pad to careers with Canadian symphonies. The orchestra is composed of young Canadians from diverse backgrounds and geography coming together with a common purpose and a willingness to learn. By performing concerts across Canada these young musicians not only gain essential career training but they also gain greater insight into what Canada is all about.

The National Youth Orchestra of Canada is a microcosmic snapshot of what this country is. I would like to take this opportunity to salute the members of this important institution which helps Canadians appreciate each other by bringing us closer together.

• (1405)

[*Translation*]

## INTERNATIONAL TRADE

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, after putting the axe to the "welfare state" the government is replacing it with the "entertainment state" as we can see from Team Canada's trip to Asia! Yet, taxpayers are served a lot of warmed–up dishes. For example, we witnessed yesterday with some surprise the "re–signing" of an agreement between Bombardier and Power Corporation to work in China, something which had already been signed in April.

I should also mention the contract for the subway in Kuala Lumpur, Malaysia, "announced" with fanfare last week when it had, in fact, been signed at the end of September. How can the government take credit for it when the cars were already under construction at the UTDC plant, in Ontario, long before Team Canada's trip? The government is hopping on the train while it is already moving!

Of course we are all pleased with the contracts signed in Asia by Canadian and Quebec companies but we denounce the fact that the government is trying to take credit for it, for purely partisan reasons. As Confucius would have said "Travellers from afar can brag with impunity".

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[*English*]

## INTERNATIONAL MONETARY FUND AND WORLD BANK

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, a few weeks ago I attended the 50th anniversary meetings of the IMF and World Bank.

Those institutions have served the world well. However the merit of the IMF imposed discipline on borrowing governments is now seriously being questioned. The World Bank's mandate of lending to governments is obsolete.

The direct alleviation of poverty increasingly is the job of private charitable organizations. Private capital flows dwarf the resources of the two institutions and effectively guard against governmental mismanagement of the economy.

These institutions are very expensive. The recently retired Canadian director of the World Bank earned an effective annual salary in excess of $350,000.

I urge the Government of Canada to take a tough stand on the future of these institutions at the next G–7 meeting in Halifax in March. A good case can be made that their job is done—

**The Speaker:** The hon. member for Saint John.

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## VIA RAIL

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, on December 15 full VIA Rail service to my city of Saint John will be discontinued.

Recently VIA Rail launched a promotional campaign aimed at getting people to take the train over the next few months. Homes in Saint John received an envelope in the mail from the rail company offering special discounts on adult fares. As well, a 25 per cent discount was offered when travelling between December 15 and January 5.

This new marketing campaign is very confusing to my constituents. VIA announced the termination of VIA Atlantic as of December 15 but announced a discount for travelling between December 15 and January 5. Does this make sense? How is one supposed to get a discount when there is no train? Apparently the discount was not meant for the citizens of Saint John.

I urge the Minister of Transport to provide the citizens of Saint John with a dayliner so they too can take advantage of the great savings offered by VIA. I appeal to the minister to save our train.

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## TEAM CANADA

**Mr. Jesse Flis (Parkdale—High Park, Lib.):** Mr. Speaker, I am sure all members of the House will join me in congratulating Team Canada on its unprecedented success in landing big business opportunities for Canadians in the Pacific rim.

The latest success comes as the Prime Minister secured a place for Canada in APEC, the forum on Asia–Pacific Economic Co–operation which will give us privileged access to the fastest growing trade markets in the world.

Team Canada includes leaders in business and government from all parts of Canada. Its success is proof that a team effort is far more effective than any province or territory on its own.

When the special joint committee reviewing Canadian foreign policy tables its report later this afternoon members will learn that foreign affairs are becoming less and less the exclusive concern of the federal government and more and more a Team Canada effort.

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## ADDICTION AWARENESS

**Ms. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, I stand today to recognize Drug Awareness Week and National Addictions Awareness Week.



As an MP from a major downtown urban riding and a physician I have seen firsthand the destructive potential of addictions. I encourage all Canadians to get involved in activities in their communities to promote understanding and raise awareness of substance abuse.

With funding from Canada's drug strategy, community action projects have worked at the ground level and assisted in finding local solutions to local problems. This gives all Canadians an opportunity to learn as much as possible about the problem of substance abuse. I urge everyone to please join now.

* * *

• (1410)

## TOURISM

**Mr. Dennis J. Mills (Broadview—Greenwood, Lib.):** Mr. Speaker, earlier this month the Minister of Industry along with eight provincial ministers of tourism and 20 senior members of Canada's tourism industry undertook a nine day mission to Japan. The visit included participation in the first World Conference of Tourism Ministers in Osaka and the second Canada–Japan Tourism Conference in Minabe.

At the Canada–Japan conference the minister presented the Canadian response to Japan's tourism challenge, calling for co–operative efforts to triple the number of Japanese visiting Canada annually. With input from a broad cross–section of tourism stakeholders, the response represents the kind of collaborative effort that will be a cornerstone of our tourism success in the years ahead.

We look forward to the successful implementation of this undertaking. It would result in an estimated $1 billion of additional revenue for Canada each year. It would create more than 20,000 new jobs for young people entering the workforce for the first time and for those re–entering the workforce.

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[*Translation*]

## MIL DAVIE SHIPYARD

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, we learned today that the MIL Davie shipyard in Levis will lay off another 300 employees this Friday, so there will be only 400 workers left there.

The federal government is the one to blame for these layoffs. Its failure to act on the issue of the Magdalen Islands ferry clearly shows its lack of sensitivity with regards to unemployment in Quebec.

The Minister of Transport even delights in creating confusion about the case. We no longer know who is really in charge, him or the Minister of Industry. In 1986, the federal government told the Quebec shipyard industry to get its things in order, which was done. There is only one large shipyard left in Quebec. It is now Ottawa's turn to make an effort to ensure the survival and

development of MIL Davie, as it committed to do in the last election campaign.

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[*English*]

## ATLANTIC CANADA OPPORTUNITIES AGENCY

**Mr. Randy White (Fraser Valley West, Ref.):** Mr. Speaker, the Liberal government is spending your money just like the Conservatives did. For example, let us take the Atlantic Canada Opportunities Agency grant for $22,300 to study blueberry jelly.

In a simple inexpensive effort to look at this grant I contacted an expert inventor in the field of jelly making, my mom. At no cost to the taxpayer my mom says: "Wash those blueberries thoroughly, son. Add water and cook slowly until tender. Drain through a cheesecloth. Boil rapidly for five minutes. Measure juice and add an equal amount of sugar. Boil rapidly until mixture gels".

Somehow allowing the Liberals to spend $22,300 on nonsense like this has to stop. Where is the idea going to gel in the mind of the government that throwing away money like this is a recipe for disaster?

Our debt is growing faster than blueberries on a bush at $538,307,766,417.60.

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## POST–SECONDARY EDUCATION

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, in its green book on social security reform the Liberal government told us we needed to give more Canadians access to higher education. In the same breath it proposed that the current generation of students would have to pay much higher tuition fees than their parents did.

This is like Walmart trying to win new customers by raising its prices. What the Liberals are really saying is that they want to turn Canadian universities and colleges into Holt Renfrews with most students reduced to fantasizing about what it would be like to actually be able to afford to go to such an elite institution.

The Liberals now like to parrot the Reform Party's slogan that we must cut the deficit so that we do not mortgage our children's future. However to ask today's students to pay dramatically higher tuition fees and at the same time as future taxpayers to pay off the debt accumulated by previous generations would have exactly the opposite effect.

The students who have to borrow to pay for the increased tuition fees will emerge with their own personal education mortgage before they even look at a house. They will still be paying off the mortgage of previous generations, the public debt.

• (1415)

## EDUCATION

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Mr. Speaker, this evening, November 15, 1994, a banquet will be held at the New Brunswick Community College at Woodstock campus with guest speaker Mike Duffy to honour the facility's 10th anniversary. Not only is it the 10th anniversary of this new facility, but it is also the 75th anniversary of vocational training and education in the region, which began at the Carleton County Vocational School some 75 years ago.

This type of community based education and training has been successful over the past 75 years and never was it more important than it is today. With the competition around the world it is imperative that community colleges continue to be a significant part of our education system.

I take this opportunity to congratulate the anniversary committee, the administration staff, students, all those who made this facility possible, as well as those who have continued its success over the years.

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# ORAL QUESTION PERIOD

[*Translation*]

## COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, after rejecting Quebec's proposal to maintain the military role of the Collège de Saint–Jean, the federal government has now been approached by the new mayor of Saint–Jean who suggested a moratorium of three years on the decision to close the college.

My question is directed to the Minister of Intergovernmental Affairs. Since a moratorium would have the advantage of allowing discussions among the parties to continue, does the minister not think he should agree to the request made by the mayor of Saint–Jean?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, there are two things we should remember. First, keeping the Collège de Saint–Jean open unnecessarily will cost taxpayers $23 million annually. This means that three years will cost taxpayers nearly $70 million.

**Mr. Plamondon:** That is not true!

**Mr. Massé:** Second, we now have an agreement with the Government of Quebec to keep the Collège de Saint–Jean open as a civilian institution. That is the agreement we have now and the agreement we want to implement.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the minister knows that existing facilities at Kingston cannot absorb an increase in the number of cadets from 600 to 1,200, which will be the case as a result of closing the colleges at Saint–Jean and Victoria.

Why does he fail to see there is much to be said for agreeing to the moratorium proposed by the mayor of Saint–Jean?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, according to the plans that have already been made to accommodate 300 additional students in Kingston, we can use the barracks at CFB Kingston that are now vacant, so that the cost is minimal, and three years from now, we will be back to 900 students.

Consequently, in the circumstances it makes sense to concentrate students in Kingston. Since the army has been downsized, we no longer need three colleges, and we should now use all the resources available at the college in Kingston, which is the only one we need.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I think there is a clear pattern in the federal government's concept of the kind of educational institution that should be made available to francophones in Kingston. It means barracks for the francophone cadets who will leave Saint–Jean and barracks and washrooms across the street for students at the Marie–Rivier school. It is a pattern we certainly do not appreciate.

Before we reach the point of no return, I want to ask the minister whether he agrees he should show some flexibility and take this opportunity to declare a moratorium of at least one year. Does he realize that many people in Quebec and Canada expect him to accept the truce proposed by the Official Opposition today and take the time to start a constructive dialogue with the parties concerned?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the Leader of the Opposition is right to say it is time for a truce, for common sense and compromise. Well, we already have a compromise. We reached a compromise with the Government of Quebec. We have an agreement that provides for some military presence on the campus of Saint–Jean and for the continuation of the Collège de Saint–Jean.

• (1420)

Here is the agreement. It was signed by Daniel Johnson, the Premier of Quebec at the time. We have an agreement, and I suggest the opposition let us implement that agreement.

## MIL DAVIE SHIPYARD

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, while the government is still in the process of making up its mind in the matter of the construction of the Magdalen Islands ferry, it was announced that 300 MIL Davie workers will be laid off on Friday. These 300 workers will join the ranks of the 200 who were recently laid off. It should be pointed out that, in 1992, the shipyard employed over 3,700 workers; by Christmas, only 400 will be left.

Does the Minister of Transport recognize that with the laying–off of an additional 300 workers, it becomes urgent for the government to make up its mind if the last major shipyard in Quebec is to survive?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, the hon. member again today tries to imply that there is only one aspect to the problems facing the MIL Davie shipyard, that being whether or not it can acquire a contract to construct a ferry.

If the member would do his homework he would realize that contingent upon approval of a business plan by the shareholder of MIL Davie and contingent upon the co–operation of the labour unions at MIL Davie possibly some transition contracts might be helpful but not necessarily so.

To try to focus the future of MIL Davie on one contract demonstrates a very weak understanding of the complexity of the problems facing that shipyard.

[*Translation*]

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, how can the Minister of Industry hide behind the MIL Davie business plan to justify his lack of action when the Quebec government is asking him, in writing, to become financially involved in the construction of the Magdalen Islands ferry?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, I fail to understand the rationale for a member, an elected representative of the House of Commons and thereby shared trustee of the public's moneys, saying that we are hiding behind the requirement of a business plan before investing public money in a private enterprise which is owned by a shareholder, that is the Government of Quebec.

Let us get realistic about where the solutions lie for this company and other companies that face the problems of adjusting to the changes occurring in the world. That company like others will survive because it becomes competitive and because

it produces a product the world is willing to buy, not because somebody hands out a contract to tide it over.

Let us address the real problems and then maybe we can find real solutions.

* * *

## IMMIGRATION AND REFUGEE BOARD

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, from all accounts members of the Immigration and Refugee Board can be divided into at least two camps: the Tory appointments led by the chair of the committee, Ms. Mawani, and the Liberal appointments headed by the minister's friend, Mr. Schelew.

Documents have been leaked; confidential conversations have been released; and the Privacy Act has been thrown out the window. All this turmoil at the IRB is the result of an appointment system rife with patronage and political infighting.

My question is for the minister. Will the minister now admit that the IRB should be completely freed from political patronage? Will he establish a more credible process for dealing with immigrant and refugee applications?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, our government has indeed made a lot of appointments with credibility, with experience and with integrity, to the point where the press secretary to the leader of the Reform Party was quoted as saying in *The Toronto Star* earlier this year: "A lot of Canadians will be pleased to see this point on appointments is a promise from the election that has been kept, to make appointments on merit rather than on political connections".

• (1425)

The system however is far from perfect. We have suggested a number of reforms that are currently before the agency and program review process headed by the Minister of Intergovernmental Affairs. If the Leader of the Opposition has further recommendations we would be pleased to hear them.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, let us discuss one particular appointment then. The minister's friend, Mr. Schelew, is accused of bullying board members into making decisions which were against their best judgment. Then when an investigation is proposed he attempts to influence his accusers with information released by the minister's own department.

Surely this is grounds for the dismissal of this particular appointee. Will the minister now ask for his friend's resignation, or does he condone this type of behaviour on behalf of his own appointees?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, we are being absolutely open in following the process. When I received the allegations I did not cover them up; I did not hide. I gave them to the chair of the refugee board and asked her to review them appropriately.

I am now in receipt of a report given to me by the chair recommending a certain course. I have requested and obtained a response from the deputy chair to those recommendations. Before the end of the week we will make a decision based on the facts and what is appropriate.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, there are problems with the application of the Privacy Act in the minister's own office.

Yesterday the justice minister said that he could not release the details of his official's advice to the minister of immigration on the Schelew affair because: "It is not the practice of the Department of Justice to disclose publicly the advice that it gives to client departments". It seems however that the immigration department practice is to release confidential advice at the drop of a hat, especially when the hat belongs to the minister's friend.

I ask the Minister of Justice: Are there two standards of privacy in the country; one for the protection of ministers of the crown and another for the protection of ordinary Canadian citizens?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I simply reject out of hand the inflammatory, biased and unsubstantiated allegations that the member opposite has just made.

The names were released by a justice lawyer to the lawyer of the deputy chair. Advice was sought from the legal branch of the Department of Justice. That advice was received and the action was in full accordance with the law.

* * *

[*Translation*]

## SHIPYARDS

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, my question is for the Minister of Industry.

In 1986, the federal government asked Quebec to rationalize its shipyard activities. Ninety per cent of the rationalization of shipyards in Canada has taken place in Quebec, with 1,700 jobs lost when Versatile Vickers in Montreal and Marine Industries in Sorel closed down.

Are we to interpret Ottawa's failure to act on the issue of a ferry for the islands as a wish to finish the job started in the 1980s and to deliberately bring about the closing of the last great shipyard in Quebec?

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, I would like to hear from the Bloc Quebecois just exactly what plans the shareholder of MIL Davie has for its shipyards. I can tell him that I have been working both with Mr. Véronneau, president of MIL Davie, as well as with the previous government to find a solution to the problems confronting MIL Davie.

They will not be solved, as I said to the previous questioner, by simply finding one contract to give on one day. If that were the solution for this company's problems they would have been solved long ago because there has been a series of contracts awarded to that company.

The challenge for MIL Davie, as with much of the rest of the Canadian manufacturing sector, is to become competitive in a world in which manufacturing, particularly of ships, is global. The Canadian domestic market is not large enough to support a shipyard by itself and therefore they must be competitive.

• (1430)

If we can address that challenge we will succeed both at MIL Davie and elsewhere. That is the fundamental challenge and it will not be simply solved by awarding a single contract.

[*Translation*]

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, a supplementary question. If we follow the minister's logic, he has just announced the closure of MIL Davie. My supplementary question is for the Minister of Transport. Are we to understand that the Minister of Transport has recently decided to transfer the question of the ferry to his colleague, the Minister of Industry, in an attempt to cover up his strategy of closing MIL Davie to the benefit of St. John Shipbuilding in his province?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, we have been trying for several months now to explain to the opposition members that the situation regarding the ferry between the Magdalen Islands and Prince Edward Island must be worked out between Transport Canada and the operator of the service, who receives an annual subsidy to provide ferry services to those wishing to use them.

As far as MIL Davie and the construction of a ship is concerned, this is related to industry, to the creation of jobs in Quebec. The difference between the two issues is easily understood. I hope that with time, possibly in a year or two, the distinction will become clear to my hon. colleagues from the Bloc.

[*English*]

## IMMIGRATION AND REFUGEE BOARD

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, the minister of immigration promised that he would decide what to do with his friend Mr. Schelew no later than yesterday. Yesterday passed and no action was taken apart from the release of the names of the accusers to Mr. Schelew.

This minister has known about the situation since September. Has the minister delayed taking action for so long in order to give Schelew an opportunity to persuade board members to drop their complaints?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the short answer is absolutely not.

I requested the deputy chair to respond to the chair's report. I received that response in my office late Thursday. I read the response only late Friday night.

I made no such promises that any decision would be made by Monday. I have the report of the chair and an extensive response to that report. I am reflecting and taking advice carefully and will be making a decision by the end of the week.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, the confidential report made against Schelew chronicles months of intimidation and veiled threats, references to a friendship between the minister and Schelew, Schelew telling members to ignore lies that refugee claimants tell because "everybody lies".

This minister has let Tory appointees like Greg Fyffe go from the board for no reason at all. Why has he chosen to protect Schelew at the expense of individual board members and the integrity of the entire refugee process?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, rather than addressing the facts of the matter this member prefers to politically exploit this situation.

I say to the member once again that I asked for the review by the chair and she has given me her report. I have asked through a lawyer of justice for the deputy chair to respond to the recommendation and the appropriateness.

I have been seized of both those documents. I am reflecting on the evidence contained in both and then we will make a decision. It is as simple as that. I am sorry to disappoint the member but it is very simple, very straightforward and no one is hiding anything.

[*Translation*]

## EAST TIMOR

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, my question is for the Minister of Foreign Affairs. East Timor has been occupied by Indonesia since 1975. About 200,000 people are believed to have died following the repression that is still plaguing that country. In 1991, the current Prime Minister asked Canada to press for the implementation of United Nations resolutions demanding that Indonesia withdraw from Timor.

How can the Minister of Foreign Affairs explain the Prime Minister's silence on this issue during his trip to Indonesia?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I am pleased to inform the hon. member that, in fact, the matter of East Timor was the subject of discussions between President Suharto and Prime Minister Chrétien.

• (1435)

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, as the minister probably knows, according to Amnesty International, every day in East Timor people are oppressed, beaten and even killed. Can the minister tell us how the Prime Minister, who is now in Indonesia, can go back on his past commitments and miss such a great opportunity to advance the cause of human rights?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I think that the hon. member's comments are totally unfounded. In fact, during his visit to Indonesia, the Prime Minister announced that the Government of Canada, through the Canadian International Development Agency, would finance a project with Care Canada to help the people of East Timor.

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[*English*]

## HEALTH CARE

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, the health minister has recently hammered Alberta for private health clinics and their facility fees. Could the minister please tell us how the facility fees in Alberta are different from facility fees elsewhere in Canada?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, I thank the hon. member for his question.

The Canada Health Act states a province must provide for insured health services on uniform terms and conditions and on a basis that does not impede or preclude either directly or indirectly, whether by charges made to insured persons or otherwise, reasonable access to those services.

Some of these clinics get public funds because the physician fees are paid. Therefore access is precluded or is impeded for certain people because they cannot afford to pay the facility fees.

That is a very big concern of this government. We do not want a medicare system which benefits the healthy and the wealthy at the expense of the sick and the ordinary Canadian.

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, private clinics everywhere in Canada operate on this principle. For instance, Mediclub Montreal conducts executive health exams exactly this way. Abortion clinics in seven provinces charge facility fees between $200 and $500 paid privately, the doctor's fee paid publicly.

How can there be one set of rules for Alberta and another set of rules for everyone else? Good luck.

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, facility fees concern me wherever they are charged when there are public dollars involved. The objective of this government is to maintain a system which has served this country very well.

Average Canadians elected us to safeguard that system and that is what we are going to do, that is what we are doing.

* * *

[*Translation*]

## UNEMPLOYMENT INSURANCE

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development. Yesterday, the minister repeated that he intends to turn short–term employees into second–class unemployed who would receive reduced benefits, based on their family income, or even no benefits at all in some cases.

How can the minister consider forcing workers to pay unemployment insurance premiums only to deprive them of their benefits afterwards?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, as the hon. member knows, all we released yesterday was a technical paper. I would remind the hon. member that her leader in the opening debate on social reform was in some high dudgeon demanding that we provide technical information as to what the various impacts of different proposals would be.

We have now supplied that. I suppose when we supplied it we found that the Bloc Quebecois did not like the look of that information.

They are simply facts. They are simply information. We know the Bloc Quebecois does not like to deal with the facts. We see

that evidenced every day in the House but those are the facts and I would ask the hon. member to look carefully at what they mean and the implications of them.

• (1440)

[*Translation*]

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, does the minister realize that he is once again jeopardizing the financial independence women worked so hard to achieve, by proposing that family income be assessed before eligibility for unemployment insurance benefits is determined?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, in my province of Manitoba if we look at the analysis that has been done there are over 600 frequent users of unemployment insurance who have incomes of over $75,000.

There are a lot of working people who are paying hard earned premiums to pay for those kinds of unnecessary requirements and we are simply asking Canadians whether they think that is fair. Do they think it is fair that people who are raising incomes of over $100,000 should be receiving full benefits when somebody who is making $15,000 or $20,000 is paying the premiums for them? Does the hon. member think that is fair?

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## GUN CONTROL

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, my question is for the Minister of Justice. It concerns the proposed new gun control legislation.

Although it means a slight invasion of my privacy I am prepared to register my guns if I am required to do so. However, a high registration fee will reduce the level of co–operation and the level of compliance that the minister will need if he is going to implement this legislation.

Can the minister give me assurance that if there is a requirement for gun registration it would be at a very minimal cost to the owner?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, as my hon. colleague knows, we are even now preparing proposals to bring before the House within the coming weeks in relation to firearms.

Should the decision be to proceed with a system of registration it will only be on the basis that such a system can be established through a reasonable outlay of capital costs, that such a system will be reliable in terms of storing and retrieving information and that such a system would involve an expense to the firearm owner that was reasonable. My friend used the word minimal and that is precisely what we would aim to achieve.

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## MEMBERS OF PARLIAMENT

**Mr. Cliff Breitkreuz (Yellowhead, Ref.):** Mr. Speaker, the Minister of Finance repeatedly asks for ways to cut the deficit. We have been giving numerous suggestions over the years to reduce government spending and here is another one.

Will the Deputy Prime Minister show leadership and take action now before November 21 to reform the unbelievably rich MP pension plan?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, the Prime Minister has already told the House that he intends to have a package before the House before the end of this year.

**Mr. Cliff Breitkreuz (Yellowhead, Ref.):** Mr. Speaker, I ask the Deputy Prime Minister: when, when?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I think I answered the question: soon, soon, soon.

* * *

[*Translation*]

## PATENT DRUGS

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, my question is for the Minister of Health. Yesterday, I asked the minister what her position is regarding the revision of Bill C–91 on the protection of patent drugs, but she let the Minister of Industry sweet–talk us and repeat that Bill C–91 contains a review provision which will come into effect at a given time.

What we want to know of the minister who is still responsible for health is wether she is in favour of the existing protection for patent drugs or whether she advocates a change in regulations as several of her Ontario colleagues do. We want to know what she thinks as Minister of Health.

• (1445)

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, members of the Bloc Quebecois seem to have trouble understanding that in the division of ministerial responsibility some of us take responsibilities where they lie.

In the case of patent legislation it lies with the Department of Industry. If they wish to direct questions to the government concerning patent law they will get answers from me. I hope, as the questioner indicated, I will prove to be as consistent in my answers as she alleges I have been.

[*Translation*]

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, obviously, the Minister of Health was instructed not to make her position known, but I want to remind her that she cannot negate her responsibility concerning the certification of new drugs.

Does the minister realize that her refusal to take position on the issue of patent drugs intensifies the climate of uncertainty and implicitly encourages those who do not want protection for new drugs.

[*English*]

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, perhaps a brief lesson in constitutional law would be in order.

As the members of the Bloc will understand we have a position as a government. This is unlike the Bloc, which does not seem to have a position at all.

If I understand what the critic for health of the Bloc Quebecois is saying, she wants a change. She is talking about the costs of health care. I would like to understand exactly what her position is on this issue. If she wants to get up and state what it is I will be happy to hear from her on it.

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## FOREST INDUSTRY

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, my question is for the Minister of Foreign Affairs. During the past year both the federal government and the province of B.C. have been spending money in Europe to defend Canadian logging practices.

At the same time and completely opposite to the previously mentioned programs, the minister's department has been funding, through CIDA, Canadian environmental groups that actively discredit B.C. logging practices in North America and in Europe.

Why is the government funding groups whose main purpose is to deliberately undermine the Canadian forest industry?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I want to say to the hon. member that this is a legitimate question. I will inquire immediately and find out if his allegations are correct.

If they are I assure him that we will stop any funding of this kind.

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## THE ENVIRONMENT

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, my question is for the Minister of Fisheries and Oceans. In 1990 the government of the day promised a discussion paper following which an oceans act would be introduced in the House. Neither the discussion paper nor the bill saw the light of day.

The proposed act would protect the quality of Canada's coastal waters and oceans. In view of the importance of three oceans to Canada's well–being I would like to ask the minister if he can indicate to us whether an oceans act will be introduced in the House?

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I want to thank the member for his question. The member for Davenport is deservedly well known as one of the strongest environmental voices in the country today.

I am pleased to say to the member that the government will move forward on the recommendation of the NABST report on an oceans act. It is our intention to release as early as tomorrow a public discussion document entitled "A Vision for Ocean Management" so we can hear from coastal people and all of those concerned about the health of our oceans.

As quickly as we can make it happen and as efficiently as is appropriate we will move forward with legislation setting out a new oceans act for Canada.

* * *

• (1450)

[*Translation*]

## ARMS EMBARGO IN FORMER YUGOSLAVIA

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, my question is for the Minister of Foreign Affairs. The United States' decision to no longer participate in the control of the arms embargo in the former Yugoslavia provoked strong reactions among the allies, creating division within NATO and member countries of the former Yugoslavia contact group. The NATO Council, which met in Brussels this morning, insists on solidarity within the alliance.

Can the minister tell us what Canada's position is regarding the embargo in the former Yugoslavia?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I can assure the member that Canada continues to believe that it is very important to maintain the arms embargo in the former Yugoslavia. The United States' decision does not jeopardize this effort, since other countries, particularly those which have troops in the area, will be able to effectively maintain the embargo.

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, can the minister tell us if he will reconsider Canada's participation in the UN mission in the former Yugoslavia in the event that the United States stands by this decision?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I just told the member that the United States' decision does not jeopardize the arms embargo. However, Canada has already indicated, through the Prime Minister, that we would withdraw our troops if the United Nations decided to

lift the arms embargo, and other countries have said the same thing.

France and Great Britain, which have the largest numbers of troops participating with us in the peacekeeping mission in the former Yugoslavia, have expressed the same opinion. But, for the moment, we think that this embargo can be maintained and that there can be effective controls to ensure that the United Nations mission is not threatened.

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[*English*]

## GUN CONTROL

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, last weekend the justice minister again expressed his desire for the universal registration of firearms in Canada.

Will the minister acknowledge that since the introduction of the universal registration of hand guns in the country, the criminal misuse of hand guns has actually increased? Will he acknowledge this irony?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, yes, but if I may say so, I do not believe that response leads logically to the conclusion there is not a good case for registering all firearms in Canada.

May I point out that the increased use of hand guns for criminal purposes in recent years has for the most part first, been in urban centres, and second, been because of smuggled illegal hand guns.

The proposal we will bring forward will deal, among other things, with preventing illegal firearms from coming into Canada. We will never do it perfectly but we can improve what we are doing.

Second and very briefly on the subject of registering long guns, it should be borne in mind that in rural areas the fatality rate for firearms is higher than in urban areas and primarily derives from the use of long guns, not hand guns.

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, the justice minister makes our case. The emphasis should be on controlling smuggling and that type of thing.

Professor Gary Mauser of Simon Fraser University has released a report estimating that universal firearms registration in Canada will cost a minimum of half a billion dollars and could be as high as a billion dollars.

Given the failure of present registration programs to stem crime and the disastrous fiscal situation of the country, how can the minister justify even considering this major new spending initiative?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, should the government commit itself to a universal registration system, the second thing I will do after announcing it in the House would be to mail to that person at Simon Fraser a copy of the analysis we have of cost.

We would never undertake a registration system that cost anything like those amounts of money.

• (1455)

In any event, if the government decides on a registration system it will be because our fundamental purpose is to enhance public safety in the country.

* * *

## GRAIN TRANSPORTATION

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I would like to ask about a number of contradictions which surround the government's position on grain transportation subsidies.

The Minister for International Trade says that the Crow benefit should go and the sooner the better. The Minister of Transport says he wants his department to cut the subsidy and last week his deputy minister said: "As far as the Crow is concerned, the government has to move in some other direction". Even the minister of agriculture acknowledged that cuts must be made but he keeps giving the public signals that he is the defender of the Crow in cabinet.

My question for the Minister of Agriculture and Agri–Food is this. Is he defending the Crow benefit from attack? Is he prepared today to clear the air and let prairie farmers know that it is the federal government's intention to keep grain moving by rail by ensuring that the Crow benefit remains—

**The Speaker:** The hon. minister of agriculture.

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, I dealt with that subject at some length in a speech I delivered last week at the annual convention of the United Grain Growers in Calgary. In order to save time, I will be happy to send the hon. member a copy of my speech.

I will tell him what is happening at the present time. As the Minister of Transport and I committed some months ago, we are presently engaged in a final round of discussions with farmers and farm organizations about future reform measures affecting the WGTA. Indeed, later today I will have the opportunity to discuss that subject with the prairie ministers of agriculture. Over the course of the next couple of months the Minister of Transport and I will be canvassing all of the major farm organizations in the country.

Our objective is to finalize the government's position with respect to the WGTA so that we might present recommendations to our cabinet colleagues early in the new year.

### EDUCATION

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, in the close to 100 town hall meetings held by MPs across the country in the last few weeks, students have been very involved participants. They are interested, prepared to debate and know the status quo is not an option. Many of them have said to me that they need better school–to–work transition, better access to training in the workplace and fairer student loan repayment schemes.

I ask the Minister of Human Resources Development what concrete initiatives he is taking that can point to a post–secondary education system that will really respond to today's student needs?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I thank the hon. member for her question.

One thing I would like to point out to the hon. member and all members is that just today at a meeting of the 15 sector councils that are business–labour partnerships, I signed two new agreements in horticulture and tourism which will provide new school–to–work internships for over 1,000 students, one for people in rural communities and the other will concentrate on training for aboriginal tourism interns.

What is important about this is that the total cost of the project is $18 million. The federal contribution is only $5 million which shows that because of the partnerships we are able to have a two to one arrangement. It shows that the basic thesis that we can do more for less and provide better training and educational opportunities to our young people is already coming true.

* * *

[*Translation*]

### GUN CONTROL

**Mrs. Pierrette Venne (Saint–Hubert, BQ):** Mr. Speaker, last week end, the Minister of Justice declared that he intended to present a bill to tighten gun control in Canada.

Does the Minister of Justice undertake to simplify the regulations on the storage, display and transportation of firearms and to make them coherent so that ordinary people can finally understand and comply with them?

[*English*]

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I can say that the proposals will deal with those issues. We will make every effort to simplify. I well understand that the challenge we face is to make Canadians understand and comply with safe storage requirements.

A very important inquest is going on in Quebec right now in which a coroner is examining, I think, a dozen deaths to find out the connection between the safe storage of firearms and suicide, among other things.

I am aware of that need. We will make every effort in the proposals to make those requirements better understood and more readily enforced.

* * *

• (1500)

### HEALTH CARE

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, the Minister of Health did not explain earlier why she is following a discriminatory practice regarding facility fees. Why is she threatening Alberta clinics while exactly the same practices are being carried out in other provinces?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, I am pleased to be able to clarify my words. Let me remind the House that at the last meeting of federal–provincial ministers in Halifax nine provinces agreed to put forward legislation to address the problems faced by clinics. The exception was Alberta. We are awaiting a response from Alberta. I have said it before and I will say it again that this government has been patient but it is rapidly losing patience.

**The Speaker:** My colleagues, pursuant to an order made on November 14 we will now revert to presenting reports from committees.

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## ROUTINE PROCEEDINGS

[*Translation*]

### COMMITTEES OF THE HOUSE

#### REVIEW OF CANADIAN FOREIGN POLICY

**Mr. Jean–Robert Gauthier (Ottawa—Vanier, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the report of the Special Joint Committee on Reviewing Canadian Foreign Policy.

In accordance with the order of reference, our report addresses the changes occurring in the world today and their impact on Canada. We all can see that Marshall McLuhan's global village is becoming more and more of a reality for Canadians. That reality has an impact on their security, their jobs and their well–being. The whole world is affected. Therefore, Canada's foreign policy is a domestic policy and our domestic policy is a foreign policy.

Some people would say these changes cause upheaval in interests and fundamental values and that Canadians today are then faced with significant challenges. Our report contains conclusions and recommendations on the principles and priorities that should guide our foreign policy.

In fact, our report suggests a new agenda for what is left of this decade and for the beginning of the 21st century.

[*English*]

The new agenda we propose reflects the deep rooted values that Canadians want to see expressed in their foreign policy and the need to make strategic choices. In fact selectivity and criteria for selection are features of the report.

The agenda includes: reform of the major international institutions of global governance, such as the United Nations and the international financial institutions to make them more effective, more transparent, more representative and more accountable; expanding our concept of security to include non–military factors and a greater specialization of the armed forces to better support peacekeeping operations; and promoting a rules based multilateral trade system and a Team Canada approach to trade development and foreign policy in general.

The agenda also includes: a greater emphasis on the promotion of Canadian culture and learning as a fundamental dimension of foreign policy; a strategy for managing the complex relationship with the United States of America, including better use of the multinational mechanisms; and a reformed foreign aid program designed to target assistance more effectively to meet human development priorities.

Finally the agenda includes: strengthening foreign policy linkages with sustainable development and human rights; and continuing the democratization of Canadian foreign policy through dialogue and education.

[*Translation*]

I would like to thank the 500 witnesses who presented evidence to the committee during the last seven months and all those who sent briefs and proposals. We received approximately 560 briefs. I would also like to thank the members of the team: the clerks and their personnel, the research assistants and all those who co–operated with us and gave us such a tremendous support.

• (1505)

On my own behalf, I would like to pay tribute to my colleagues of this House and of the Senate who worked hard to produce what I consider to be an excellent report.

The committee members were all struck at the commitment of Canadians towards the very simple principle that we should build a better world. This report testifies of the fact that when working together and in unity, Canadians can make a very unique contribution.

Pursuant to Standing Order 109, Mr. Speaker, the committee asks the government to present a comprehensive response to this report.



**Mr. Stéphane Bergeron (Verchères, B.Q.):** Mr. Speaker, I have the honour today to associate myself with the tabling of the report of the Special Joint Committee on Reviewing Canada's Foreign Policy, especially the tabling of the dissenting report by the Bloc Quebecois members on the committee.

Throughout the proceedings, committee members honestly tried to offer an innovative vision of what Canada's new foreign policy could be. For that, I want to thank and congratulate them wholeheartedly.

I would also like to join my colleague for Ottawa—Vanier, the joint chairman of the committee, in thanking all those who contributed in one way or another to the preparation of the report, especially all the Canadians and Quebecers who made the effort to appear before the committee or send in a brief.

However, in spite of everybody's good will, the majority report is based on an interpretation of the international situation we cannot accept. The Bloc Quebecois's dissenting report highlights the aberrations and the shortcomings of the majority report, offering alternatives which, we believe, are closer to what a foreign policy that would be both progressive and realistic should be.

We especially fault the government for not taking into account such fundamental issues as nationalism, the emergence of new states and the recent arrival on the international scene of many new actors.

We also deplore the lack of clear guidelines regarding foreign aid, the interference in Quebec's areas of jurisdiction, especially education and culture, and their impact on the international level.

Finally, we find the lack of a chapter dealing specifically with human rights inexplicable. Moreover, we cannot endorse the unjustified mistrust of the majority report for our main partner, the United States.

Therefore, Mr. Speaker, I bring this report to your attention, hoping that the government will find it highly instructive.

* * *

[*English*]

## PRIVILEGE

SPECIAL JOINT COMMITTEE REVIEWING CANADA'S FOREIGN POLICY

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, I rise today on a question of privilege.

I am rising with regard to the premature release of the report of the Special Joint Committee Reviewing Canada's Foreign Policy. It is my understanding that this report which has just been tabled has been in the hands of the media for almost one week. It has been the subject of extensive coverage and some articles even contain comments from members of the standing committee itself. Since this article was published in the French

language press on November 10 I have been contacted by several members of the media asking for my comments as well.

Citation 877(1) of Beauchesne's sixth edition states:

> No act done at any committee should be divulged before it has been reported to the House.

It goes on to say:

> "—the evidence taken by any select committee of this House and the documents presented to such committee and which have not been reported to the House, ought not to be published by any member of such committee or by any other person". The publication of proceedings of committees conducted with closed doors or of reports of committees before they are available to members will, however, constitute a breach of privilege.

Mr. Speaker, as a new member of this House I did not feel it would be appropriate for me to respond to the media's request for fear of being found guilty of contempt of this House. Citation 877(2) states:

> In Canada, when a question of privilege was raised concerning the publication of a committee report before it was presented to the House, the Speaker ruled that the matter could not be resolved as in the British practice because the motion appeared to attack the press for publishing the confidential document but did not attack members of the House for their attitude in respect of their own confidential documents, and in missing this point, it missed something most important with respect to the privileges of the House.

• (1510)

Where I would like to draw the attention of the House is to the words "did not attack members of the House for their attitude in respect of their own confidential documents".

Leaking of information seems to have become a way of life of this Parliament. This was evident in the case of the finance committee study on the GST tabled last June. At that time the hon. member for Willowdale rose in the House on a question of privilege and I refer to your ruling of June 1, 1994 on page 4702 of *Hansard* recommending that the finance committee investigate the matter itself.

I have spoken with the chairman of the committee, the hon. member for Ottawa—Vanier and I assure you I will be raising this issue at our next meeting.

The point I want to raise today is one of personal privilege. My privileges as a member of Parliament were breached in the sense that the media and other committee members had in their possession a copy of the report. They were making public statements in the media and referring directly to the content of the report. In fact, I had not even seen the minority report submitted by the official opposition until it was tabled today.

As a member of Parliament I recognize my obligations to keep reports confidential until they are tabled in the House. Unfortunately some MPs chose not to honour this convention and spoke to the press.

Through my silence and respect for the rules I am afraid I may have left a false impression that our party supports the government when we have in fact tabled a dissenting opinion. I believe we have come to a point where this House needs to establish clear and binding guidelines for MPs with respect to the release of confidential information. In the event that the rules are broken members must know that punitive measures will be taken.

I would argue that this is a clear breach of my personal privileges and shows a clear contempt of Parliament. Therefore I ask that this matter be referred to the Standing Committee on Procedure and House Affairs. Should you rule that there is a prima facie case I would be prepared to move the appropriate motion.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the hon. member raises a valid point at least in respect of his opening remarks when he stated that the practice of this House has been that committee reports are confidential until they are tabled in the House. I believe he was also correct when he indicated it was a contempt of the House for any person to release the contents of such a report prior to its tabling in the House. Indeed that has been dealt with as a contempt of the House on past occasions.

I may say that if the hon. member could determine the malefactor in this case that person could be brought before the House and the contempt purged in the appropriate way. That would be entirely appropriate. It could be done either here or in the committee and the committee could bring in a report and the matter dealt with. Having said that, I assume he does not know who the malefactor is and given that we are in a position where I do not know that we can deal with that particular contempt of the House in this case, or indeed in some others that have occurred in the course of this Parliament.

However, the second point that his own personal privileges have been violated is another matter. I recognize that in refraining from making comments until the report was made public this afternoon he may have somehow found that his privileges have been affected. It is a matter that could be studied.

I would be happy to have the matter referred to the procedure and House affairs committee that I have the honour to chair for review. We may have something useful to say on it after hearing what he has to say, I do not know. Whether it is a fact of substantial interference with his ability to carry on his work as a member of Parliament I am not sure.

I invite Your Honour to consider the point that he has raised. If Your Honour finds a prima facie case, I can say that the committee will be happy to undertake the appropriate study should it come our way.

**The Speaker:** My colleagues, I treat all questions of privilege as being very serious in nature. I will indeed review all of the information put before me. With the permission of this House and after due consideration if it is necessary I will come back to the House with my decision.

* * *

• (1515)

## POINTS OF ORDER

ADJOURNMENT PROCEEDINGS

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, as you are aware, last night I spoke during the Adjournment Proceedings. In accordance with Standing Order 37(3) on October 28, I informed the Speaker of my dissatisfaction with the answer I received from the Minister of Canadian Heritage about my question on his letter of intervention to the CRTC.

Yesterday prior to 5 p.m. and in accordance with Standing Orders 38(3) and (4) the Deputy Speaker informed the House that my question would be raised during the late show; reference *Hansard* page 7753.

During the late show the hon. Parliamentary Secretary to the Minister of National Revenue stated, and I quote from *Hansard* at page 7767:

> —I am not prepared to respond to the question of October 28th. I am prepared to respond to the question of October 24th.

Standing Order 38(5) is clear. Ministers or parliamentary secretaries are to respond to the matters raised by members. Not only did the parliamentary secretary not respond to the matter I raised; she admitted she was not prepared to respond and she apologized for not doing so.

The matter raised in my question relates to a serious matter which was before the House for two weeks. I wished to clarify for the House during the late show issues relating to the incompetence of the Department of Canadian Heritage and the minister's letter of intervention to the CRTC. However I have been denied the due process of the Adjournment Proceedings.

I am informed that there is no precedent in this regard. Further, I have not found one instance where the government ever refused to answer a question raised in the Adjournment Proceedings. I remind the Speaker that the Adjournment Proceedings have been a parliamentary procedure for 30 years.

This is an unacceptable precedent for the government to have set. In order to redress this procedural breach I request a written response from the government to the issue I raised last night and ask that the response be given in the House during tonight's Adjournment Proceedings.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the hon. member suggested in her comments that she was having trouble establishing the incompetence of the Department of Canadian Heritage and for very good reason. That is because it is headed by a very competent minister and is very well administered. I will leave that part of her remarks aside and deal with the substance of the procedural point that I know she wanted to deal with in her remarks. She got sidetracked by these kinds of partisan comments about the Minister of Canadian Heritage.

The fact is that the parliamentary secretary who was here last night to answer was not the Parliamentary Secretary to the Minister of Canadian Heritage who was unable to be present last evening. She found herself in a position of having been given a set of notes in anticipation of a question on the subject that was not hers to deal with and that she had to give on the spur of the moment. As it turned out it was the wrong set of notes for the wrong question. A mixup had occurred for reasons beyond her control.

Accordingly she felt it inappropriate for her to attempt to come up with an answer to the hon. member's four–minute address on the issue. I may say the suggestion the hon. member has made, that the answer be given tonight on the late show in a special two–minute addition to the late show or a two–minute feature for the parliamentary secretary to give the answer, is one that is quite satisfactory as far as the government is concerned.

I am pleased, if the House agrees it be done, that the two–minute address be given tonight. I realize the hon. member would not have her four–minute speech before it but she gave it last night. We will have the four minutes last night and the two minutes tonight and I think everybody will be happy and in fact pleased to agree.

**The Speaker:** It seems we have found a solution to our little dilemma. I hope that is acceptable to the hon. member and all other members of the House, and it will be so ordered.

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# GOVERNMENT ORDERS

[*English*]

## SUPPLY

ALLOTTED DAY—THE RAIL SYSTEM

The House resumed consideration of the motion.

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, it is my pleasure to have the opportunity this afternoon to speak briefly on the motion before the House.

[*Translation*]

I must admit that I was a little surprised and even amazed to see the motion that the Bloc Quebecois has proposed to us. On the one hand, the Bloc Quebecois often complains; its members claim to be concerned about the deficit and the debt and often say that we must cut unnecessary spending, we must cut what they call waste, a big term which is still undefined and for which we have never had a valid explanation.

• (1520)

I wonder if the Bloc Quebecois's definition of waste includes exceptional expenditures, which the government cannot make as a government. We still have to find out the answer.

[*English*]

Members of the Bloc inform us that they condemn the policy of the government in regard to railroad. I go on record as profoundly disagreeing with that proposition. As a matter of fact I congratulate the minister for having, and I will use the parliamentary term, the intestinal fortitude to address some very important issues in the area of transport, be it rail, maritime or air transport.

I never could understand, and the minister put it very eloquently in a speech that other members and I heard recently, when he said there were airports in Canada that were receiving two million passengers a year and getting zero dollars of subsidy and there were airports in Canada receiving $2 million a year in subsidies and getting zero passengers. There has to be something wrong with that system and the minister has the courage to address those important issues.

[*Translation*]

The same applies to rail transport. In my region, Mr. Speaker, as you well know, we have a rail line joining Ottawa and Montreal, the Alexandria subdivision. Trains use that track to reach these two big cities. But what happened? In 1986, CN threatened to close the subdivision. It was uncertain whether trains could run between Ottawa and Montreal, and of course it meant the end of passenger transportation between the two cities since VIA Rail uses the CN track.

Today, there is an agreement between CN and CP to maintain the subdivision jointly, and CN and CP trains use the track. This increases traffic on it, increases profitability and ensures the long–term survival of the line in question.

When the news that CN wanted to close the subdivision was leaked in 1986, you know what happened. Alexandria Moulding, a company in our riding that employed about 200 people, ended its expansion plans. Why? Because there was no long–term security. Today the minister is on top of these issues.

[*English*]

In my opinion the minister should continue in areas such as permitting local groups to start up short line railway operations. That process needs to be sped up. For instance, if CN, CP or both in the case of the Alexandria subdivision because it is to be jointly operated, need to shut down part of their operation and if there is a group of local businesses, municipalities or whatever that can keep that short line operation going, we should welcome it with open arms and not spend years and money arguing before various boards and organizations. We need to assure that whoever operates a short line railroad does so with all the safety standards involved and so on. That is guaranteed.

The process has to be accelerated to make these kinds of things happen. The minister is interested in it; he needs to be praised. On the other hand, some provincial governments, particularly those of the pink persuasion, our socialist friends particularly in Ontario, have established what are known as successor rights in the area of railways.

• (1525)

What have successor rights done? By the way the same thing has happened in Saskatchewan, and guess what kind of government it has. Yes, some more of those pink dinosaurs as well. The pink dinosaurs at the provincial level have established those successor rights laws in three provinces. The effect is such that some of the short line railway operations cannot get going because of successor rights.

Here is what happens. In one case in Saskatchewan a small piece of rail line was handed over to a local group. That small piece of rail line did not need a whole variety of employees. I believe it had 18 employees who at that point were in 14 different unions. Does that make sense? It does not make sense to me.

Let us use the example of an even smaller short line operation that would only require a handful of people. Because of the different union contracts a short line operation could not start up. It would have to hire staff it did not need. In other words, the person operating the breaker would have to be different from the person on the train because there are different unions and that sort of thing. Therefore people would be standing there doing nothing while the other one does his or her operation. Does that protect jobs? No, not at all. Instead of having a short line we end up having no service at all and no service at all does not give jobs to anybody.

Perhaps the people in charge of socialist regimes at the provincial level should remember that. If they do not they will not be in business very long anyway, particularly not in the province of Ontario. Their future is doomed about the same as that of the government replaced a little over a year ago by the excellent government we now have in power.

[*Translation*]

The members opposite are saying that the government should start putting in place a high–speed train system in Canada right away. In the past, these same members condemned the government for making expenditures we could not afford. I have a little problem with their proposals, with the logic used by the people opposite.

First, there is a study under way to determine if a high–speed train would be viable. The people opposite ignore the findings in these studies, but they want a high–speed train system right away and blame the government for not having done so already. Wait a minute. Keep this idea in mind for one minute, Mr. Speaker.

We can only conclude that the members opposite want to build a high–speed train, even if it were not viable. Otherwise, why would they not wait for the results of the viability study? But no. They want to build it, whether or not it is viable, so that when we find out that it is not viable, they can rise in the House to blame the government for building a system that is not viable and wasting money. That is the logic used by the people opposite. If I am not mistaken, the railway expert, the hon. member for Hochelaga—Maisonneuve, has just told us that it is viable. We can conclude that he is referring to a study dating back to God knows when. He could perhaps share it with us so that the House would be better informed on this.

[*English*]

There are a number of other issues to be addressed. One of them is property taxes as they affect railroads. Property taxes in Canada generally cost something like 14 per cent of the expenditures of railway companies. That has been said by the Peat Marwick Stevenson and Kellogg group of consultants. In the United States approximately 8 per cent of municipal taxation is applied to railways. That is a big difference for railway viability. It increases the cost of operating railroads in Canada and makes them less competitive.

Those are the kinds of things I know the minister is looking at. He needs to do that kind of work to make rail lines in Canada competitive.

• (1530)

In the long run if we do not ensure that our railways are viable, that they operate properly, the alternative will be no railway at all. We cannot continue with a system that inflicts debt after debt, loss after loss on the railway companies and expect they will be around for a long time. That is not going to happen.

We have to make them viable. We have to make them work properly and competitively so they can be around, provide transportation for Canadians, provide transportation for our goods which we export and import into Canada and provide jobs for those Canadians working in that very worthwhile industry, the railway and transportation industry.

That is why I cannot agree with the motion proposed by our colleagues across the way. I condemn it and I wish the members across would have offered something constructive to help save our railway industry in Canada.

[*Translation*]

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, of course, I do not agree at all with the government whip, especially with his anti–union speech.

The high–speed train is viable. It will link the two most densely populated provinces, the two largest cities, Montreal and Toronto. Rail transportation is going through a serious crisis. I agree with the motion of the Bloc Quebecois which condemns the government's policies concerning the railway system and the gradual abandonment of the services provided by three companies, CN, CP and VIA, especially since these abandonments are occurring mostly in Quebec.

Thousands of jobs have already been lost and now employers want to reopen collective agreements to reconsider job security, fringe benefits and wages and to ask for some more concessions. They are acting in complicity with the government and especially with the Department of Transport and the companies, the employers. In Quebec, the rail transportation unions affiliated with the FTQ have joined forces and are doing a remarkable job.

I just received copy of a brief on the current situation in the railway industry prepared by local 4334 of the CAW, the Canadian Auto Workers. Quebec is hard hit, because services are being transferred to Western Canada. Is this the kind of Canadian federalism you want to force on us? Yes, Quebec is the province most affected by this crisis in the railway industry. Services are being transferred, mostly towards Winnipeg.

Would you agree to a moratorium in order to reconsider the situation in the railway industry, to set up a consultation committee made up of representatives of the governments, the unions and the companies to examine whatever remedial measures can be taken and to act before the railway system in Canada deteriorates further?

**Mr. Boudria:** Mr. Speaker, three things ought to be pointed out. First, nothing in what I said was anti–union, quite the contrary. It is not anti–union to want and try to protect jobs in short–line railways. All claims to the contrary are false.

Second, as for the moratorium, the hon. member is aware that a parliamentary task force has just started a study on the whole issue of rail transportation in Canada. This task force will tour several Canadian cities and will report to the Minister of Transport.

• (1535)

The Minister of Transport will surely table this report in the House of Commons. So, if the hon. member is talking about a consultation process, we do have one where parliamentarians are meeting with the industry, rail users, employees and employers.

Mr. Speaker, there is a task force which is ably chaired by the hon. member for Kenora—Rainy River.

[*English*]

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Mr. Speaker, in addressing this motion today I would like to address the question of rationalization of the Canadian railway network, a matter of pressing interest to all Canadians.

Until recently rationalization meant only one thing, abandonment of rail lines and the loss of direct rail service to those shippers who still remain on the lines.

The rationalization options for railways and shippers have changed in recent years to include short lines and mergers. The fundamental realities, the factors which are driving railways to rationalize, have not changed; changing logistics patterns and requirements, continuing demands from shippers for reduced costs and improved services and competition from the trucking industry and U.S. railways.

The rail share of surface transportation markets has been steadily declining since the 1950s when trucking began to emerge as a serious competitor for rail services. Railways now hold less than a 40 per cent share of this market.

The direct consequence of this changing pattern of demand has been one of a gradual removal of those lines from the rail system that have seen traffic decline to the point at which the costs of continued operation of the lines far outweighed the revenues generated from the available traffic.

The traditional process of line abandonment has always been a traumatic experience for both communities and shippers. As a result, views on the viability of lines or their future prospects have been strongly held and voiced. Rail line abandonments have predominantly occurred east of the Manitoba border over the past 20 years, principally as a result of the fact that much of the rail network in the prairies is protected from abandonment until the year 2000.

However, it is also in the east that the greatest competitive in–roads into the railway's traffic base have been made by the trucking industry. I think of my own area of southwestern Ontario as being perhaps the best example of that fact.

Rail traffic in western Canada is largely bulk or resource based and less susceptible to truck competition, while traffic in eastern Canada has a much higher manufactured goods component which is strongly truck competitive.

In recent years intermodal traffic has come to be the highest traffic growth area for railways. However, intermodal traffic, particularly that in the shorter distance intermodal markets in eastern Canada, is highly truck competitive. Again I would cite the area of southwestern Ontario as an excellent example of that.

While rail line abandonment may have been the traditional means of rationalization, it is by no means the only method by which class one rail carriers can streamline their systems. Other alternatives include selling off so–called short line railways to new, lower cost operators, co–production which involves the consolidation of traffic from the lines of two parallel railways on to one of the lines and abandoning or short lining the redundant line, or merger and acquisitions.

Following the introductions of the Staggers Rail Act in the United States in 1980, American railways accelerated the process of rationalizing their systems. In some cases lines were abandoned although in many other cases rail lines were sold to other operators, producing explosive growth and what came to be known as the short line rail industry.

The term short line is quite broad and can cover railways ranging in size from mere spurs to extensive regional networks. In general terms short line railways feed traffic to larger, usually class 1 railways, have a lower cost structure than larger railways since their labour requirements and arrangements differ substantially from those found on larger railways, and offer services which are much more responsive to local needs.

The short line industry in the United States can be generally characterized as successful. The failure rate of short line railways is much lower than that experienced in other industries. This degree of success in the United States has not been lost on Canadian railways or potential short line operators in Canada.

• (1540)

Unfortunately while we have had some notable successes in Canada a domestic short line industry has been very slow in developing. Although the first Canadian short line, the Central Western Railway, emerged in western Canada, the majority since that time have been in eastern Canada. Again, one needs cite southwestern Ontario as a leading example of that fact.

Specifically the Goderich and Exeter railway in southern Ontario, some hour north of my own riding of London—Middlesex, is one of the premier examples of short line railways in Canada. Since its inception the Goderich and Exeter serving shippers along its line to Goderich, Ontario has succeeded in dramatically increasing traffic hauled by the railways and its revenues. The Goderich and Exeter was purchased from CN by a U.S. firm, Railtex, which owns some 20 other short line railways in the United States and more recently in Canada.

Railtex also recently purchased CN's Sydney–Truro line in Nova Scotia, renaming it the Cape Breton and Central Nova Scotia railway, and has embarked on a similar program of increasing traffic and revenues and generally improving the level of services afforded shippers.

One of the key features of short line railways is that their cost structure is lower than that for class 1 railways, principally because short lines have fewer employees and generally more flexible arrangements with their employees which result in significantly reduced labour costs. Typically short lines employ about 50 per cent of the labour that a class 1 railway operating the same line would have.

While one of the principal attractions of short line operations from the viewpoint of a potential operator has been the ability of short lines to structure their operations to make optional use of labour, several provinces have recently adopted legislation to ensure that labour successor rights would be preserved during the transfer of ownership of the rail line from federal to provincial jurisdiction since short lines have typically been formed within provincial jurisdiction.

British Columbia, Saskatchewan and Ontario have passed legislation which provides for labour successor rights when among other transactions ownership of rail lines passes from one jurisdiction to another. While B.C. has very few rail lines which could be considered to have short line potential and Saskatchewan's legislative changes are too new to assess the implications, several potential short line operators in my home province of Ontario have declined to pursue the purchase of short lines in this province in light of the changed situation.

Railtex in particular was negotiating with CN for the purchase of five additional short lines in Ontario. When the amended labour legislation was passed in Ontario Railtex immediately dropped the lines from further consideration. For all intents and purposes this legislation has stalled the development of a short line industry in this province, sad to say.

Despite early apprehensions and a lengthy Senate review of the proposal by Railtex to acquire CN's Sydney–Truro line the province of Nova Scotia now fully supports its short line industry. The second short line, the Windsor and Hantsport railway, recently began operations in the province after acquiring CP's Dominion Atlantic railway line.

New Brunswick, having recently adopted new short line legislation which could represent a model for others, is close to seeing its first short line development with the likely purchase of a portion of CP's Canadian Atlantic railway by the Irving Group. The line which has been ordered abandoned by the National Transportation Agency effective January 1, 1995 will likely be operated by Guilford Transportation Industries and provide service into New Brunswick and Maine.

Another company has recently expressed interest in acquiring the balance of the CP line to Sherbrooke, Quebec to add to its own rail network in Maine. Quebec for its part has been an advocate of the development of a short line industry in the province and has introduced legislation to support the development of this industry in Quebec.

In addition to being close to selling the line near Quebec City to a short line operator, CN has indicated that it wishes to sell a considerable number of its lines in northern Quebec and the Gaspé to potential short line operators. It is expected that CN will proceed soon with these transactions. CP has also offered its lines between Delson, Quebec, near Montreal, and Sherbrooke for sale.

What is clear is that our class 1 freight railways, CN and CP, not only have other alternatives than simply waiting for traffic on lines to decline to the point at which abandonment is the only possibility, but they are beginning to move more rapidly to spin–off short lines to potential operators while this makes good business sense for all partners.

• (1545)

This does not mean that rail abandonment will not be an option since a small number of lines in the east are unlikely to be attractive to even a short line operator with a more advantageous cost structure.

What it does mean is that rail line abandonment is much less likely, particularly where provincial governments are receptive to the development of a short line industry. While a small amount of trackage might end up being abandoned in any event, perhaps one–third of the current class one rail system, or almost 16,000 kilometres of line, would be attractive to potential short line operators. The resulting class one system would then closely resemble the high density, low cost U.S. rail systems.

Another alternative open to CN and CP is co–production, the consolidation of traffic from the lines of two parallel railways on to the line of one of the railways. Typically the redundant line would be abandoned, although there is always the possibility of short lining.

A current example of co–production is the Ottawa Valley Railway which has received National Transportation Agency approval for operation on CN and CP lines from a point near the Ontario–Quebec border to North Bay via Ottawa. Court challenges to the proposal are delaying its introduction. There are only a limited number of areas in Canada, however, mainly in Ontario, where co–production could be a possibility.

In closing, railway rationalization is not only inevitable, it is necessary. Pressures on CN and CP to reduce their costs mean they must adopt innovative, non–traditional means of responding to market signals. The key for railways is to find rationalization solutions that minimize costs to carriers and shippers while at the same time maximizing railway opportunities to achieve financial viability and shipper opportunities to maintain or enhance their access to competitive rail services.

[*Translation*]

**Mr. Paul Mercier (Blainville—Deux–Montagnes, BQ):** Mr. Speaker, I listened with a great deal of interest to the remarks of my colleague opposite. I appreciated his interesting list of successful conveyances of short line railways to private companies.

I would like to point out that before we make decisions on rail line abandonments with the approval of the government or the National Transportation Agency, a serious examination is in order because that kind of conveyance has negative legal and social consequences on employees despite all that can be said.

That is why our party has asked for a moratorium on rail line abandonments. There is no overall plan to reorganize the railway system, and we blame the government for it. There is no plan on which to base decisions to approve or reject requests for rail line abandonments and branch line removals by CP and CN.

We ask for a moratorium so we can examine the whole issue. We agree that companies may not be able to keep some lines that no private company can take over because they would not be viable. It should be pointed out, though, that the lack of viability is sometimes the result of extremely poor service, in which case we should take a look at what caused the problem in the first place. Is the lack of business actually the result of bad service that companies keep that way on purpose, to be able to ask for abandonment?

That leads me to questions concerning workers. Apparently, certain groups in transportation companies have more privileges than others. I did not go through their collective agreements, but we should enquire about the spending structure of CN when it says those privileges should be reduced. For example, CN set up a rating centre in Montreal, and, after spending a few million dollars to set it up in Montreal, it decided to transfer it out west.

• (1550)

This morning, my colleague, who is deputy chairman of the transport committee, mentioned a shocking case of exceptional perks granted to an executive. We should scrutinize all those things before we decide that there are cases of abuse, and that lines should be conveyed to private companies to alleviate the pressure of wages.

That brings me to the broader issue of—

**The Acting Speaker (Mr. Kilger):** Order. When members choose to share their time, they have ten minutes for their remarks and five for questions and comments. There is very little time left for the hon. member to answer or comment. I urge the hon. member to conclude right away, if he has a conclusion, so that the hon. member for London—Middlesex may give his answer.

**Mr. Mercier:** Mr. Speaker, since my conclusion would be too lengthy, I will be glad to listen to my colleague's answer.

[*English*]

**Mr. O'Brien:** Mr. Speaker, I guess I will not need much time to answer because frankly I did not hear a question. I heard some interesting comments from my colleague.

He touched on a number of issues and I will simply highlight one. He spoke about rail abandonment as something he is not anxious to see. Let me assure him that coming from southwestern Ontario as I do, coming from one of the most busy rail parts of Ontario, coming from the long and proud railway family that I do, neither my colleagues nor I are anxious to see willy–nilly rail abandonments either.

Unfortunately the sad fact of the matter is that there are rail lines in the country that make very little economic sense as they are currently structured. The minister is to be commended for seeking to rationalize the entire system because it is simply too expensive the way it is and common sense tells us that.

**The Acting Speaker (Mr. Kilger):** I thank the member for the short response. I am close to being back on schedule.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, it is a pleasure to take the floor today concerning the rail system, all the more so because the Bloc Quebecois is able to speak today despite the government's efforts to exclude the official opposition from its study on the privatization of the CN as well as from major decisions concerning the rail industry. That is why the Bloc decided to devote an allotted day to railway transportation. Otherwise, the government would again have acted secretly.

Today's debate is very important because of the National Transportation Act of 1987. As of January 1st, 1993, this act allows railway companies to close down as many lines as they wish. Of course, such abandonments must meet the National Transportation Agency's criteria in order to be approved, but these criteria are established according to accounting standards instead of socio–economic ones, as they should be. I will come back to that in a moment.

We are told the goal of such abandonments is to streamline the rail system in order to increase the companies' cost–effectiveness and competitiveness. However, we must realize that the idea of cost– effectiveness for a railway line does not take into account any notion of regional economic development. Of the utmost importance is the fact that the criteria applied by the government to allow the abandonments are very narrow–minded and reveal its lack of vision in transportation matters.

The National Transportation Agency examines abandonment proposals according to criteria which do not take into account the economic benefits that can ensue from the operation of a railway line. According to one of these criteria, the National Transportation Agency orders the abandonment of non profitable lines, when there is no way the situation could improve in the future. This type of reasoning is based only on the railway company's cost–effectiveness and does not consider the socio–economic benefits that bring about regional development. The other criterion provides for the maintenance of a line that is or may become unprofitable.

• (1555)

The agency takes public interest into account before deciding whether a line should be abandoned or maintained. However, the law is not clear on the public interest criterion for lines that have no chance of becoming viable in the future. So far, in practice these lines are simply abandoned.

Moreover, the agency is required to review line abandonment documentation only if abandonment was opposed so that, in the absence of opposition, lines can be abandoned without the agency having to justify the application. This is directly related to regional economic development, which is closely linked to the operation of these rail lines.

By abandoning some of these lines, Canada loses economic benefits that exceed carriers' operating losses on these lines. It is imperative that the government consider the total economic impact of line abandonment applications, and not only the financial data on carriers' profits and losses.

The Chibougamau—Chapais—Chambord railway line gives us a concrete example of economic spin–offs. The Lac–Saint–Jean rail system serves among others 16 businesses employing a total of 4,095 people. Abandoning rail lines with or without transfers to a railhead in Lac–Saint–Jean would affect nine businesses out of 16, which would be faced with imminent closure involving the loss of 2,200 jobs. This would directly affect three businesses, which would become unprofitable and face eventual closure. Only two businesses out of 16 would not be affected at all. This would be the concrete economic impact of abandoning these lines. Many people would join the already crowded ranks of Canada's unemployed.

It is unacceptable for a region like mine which already has the highest unemployment rate in the country. Rail line abandonment, a kind of Trojan horse given to Quebec by the Liberal government, will have major consequences on the road system. Roads, need I remind you, are a provincial responsibility. Clearly, the decision to abandon lines will have a direct impact on provincial finances.

Line abandonment will significantly increase road traffic, which will lead to major cost hikes. In some cases, new roads will have to be built to accommodate additional traffic. Maintenance costs will also rise. The life–cycle will be reduced in proportion to the increase in road traffic, while the risk of road accidents will rise.

Who will foot the bill and suffer the consequences on the economic activity level in these regions? The provinces. Of course, the road system will deteriorate more quickly and will have to be maintained to ensure its safety and quality.

• (1600)

The Liberal government should not try to contradict these figures. Studies prove beyond any doubt that this is exactly what will happen to the road system. Transferring this traffic from the railways to the highways will increase annual maintenance costs by about 30 to 40 per cent, due to the weight of traffic and the carrying capacity of the roads. This means additional maintenance costs for the transportation department of about $2 million a year for just 800 km, which is approximately the cost of another 2,200 km a year.

As for the exact number of trucks on the road, the Department of Transport estimated that the phasing out of rail service between Lac–Frontière and Vallée–Jonction since 1982 meant that 4,000 to 7,000 more trucks a day used highway 204 in 1989. In the Abitibi region, traffic on highway 117 would increase by 360 trucks a day with the loss of rail service.

Two other major studies were done for the Lac Saint–Jean and Abitibi regions, to assess the impact of abandoning rail service on the public purse. The first study describes various scenarios for abandoning rail service in the Lac Saint–Jean region. One of these is the complete elimination of rail service north of Chambord and the creation of an efficient intermodal end–of–line interface in Chambord. It is estimated that this would cost the Government of Quebec nearly $700,000 more a year. Although very large, this figure does not take into account the cost of building the roads which would be needed to increase the capacity of this highway system. Neither does it reflect the decreased life expectancy of the roads due to the increase in heavy vehicle traffic.

The second study considers the abandonment of rail service in Abitibi. It is estimated that total abandonment would cost the Government of Quebec $3.9 million more a year, even with additional revenue from fuel taxes and trucking licence fees included.

Clearly, abandoning rail lines has a considerable impact on the finances of the federal and provincial governments. The government should therefore consider developing a comprehensive rail–highway policy. Decisions should be made in co–operation with the concerned provincial governments, since provinces are responsible for the road network and also have to bear the consequences of rail abandonment.

Beyond the financial considerations, there is also a human factor which must be taken into account. Traffic increase has a major environmental impact, in terms of pollutant emissions and noise, for communities located along highways. This increase also raises the risks of traffic accidents. The Société de l'assurance automobile du Québec reports a 41 per cent increase in the number of people seriously injured in trucks, between 1988 and 1989. By comparison, the number of people injured in privately–owned vehicles dropped 12.9 per cent over the same period.

• (1605)

Another study allows us to conclude that an increase in the number of trucks on the road can only result in a proportionally much greater increase in the number of injuries and deaths.

According to the department's submission regarding the proposed construction of a railroad for the Laterrière plant of Alcan, trains are much safer than trucks. That document indicates that, while heavy road vehicles account for eight to nine per cent of registered vehicles, they are involved in about 23 per cent of all accidents. In 1987, there were 1,206 accidents involving trucks, compared to only three involving trains, for every million tons transported by these two types of carriers.

What is of more interest to us is the fact that freeways are four times safer than other roads for heavy vehicles. The problem is that there are freeways in central areas, but not in remote regions. These regions will be more affected by the higher risk of accident, on top of also being more directly affected from an economic point of view.

Railway transport is very important. It will face tremendous challenges in the years to come; competition is fierce and our society is on the wane. The federal government can no longer afford to subsidize unprofitable lines. It must find other ways to keep these lines in operation, because what is at stake here is the development of our regions.

Quebec does not want to see these essential railroads disappear and it does not want to foot the bill either. Quebec does not want to see its remote regions experience economic decline. It wants Ottawa to implement a co–ordinated transport policy. Quebec wants to have a say in the decisions affecting railway transportation. It wants policies designed to keep carriers financially sound and technically advanced, while preserving the existing network to the greatest extent possible.

Through the voice of the Bloc, Quebec will make sure it does not get taken. The consequences of the Liberal vision on railway transport are too dangerous for Quebec's future. This government should provide financial support to the establishment of short line railways. Indeed, Quebec does not want to see more of these lines disappear, since they are essential to its economy.

The federal government must include the provinces in the decision–making process, because they are in the best position to take action on this issue. The government must give provinces every means to allow them to set up an intermodal rail–highway system.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, the member opposite has drawn a rather accurate picture of the situation in the regions, especially where people depend on a railway system and where such a system is not only a guarantee, but also a tool for the economic development of remote areas, like the Gaspé Peninsula, large regions in Northern Quebec, the Saguenay—Lac–Saint–Jean area, and many more, I am sure.

I have a question for the hon. member, because I heard that the opposition could be interested in a national integrated policy on transportation. If this is true, then Quebec would have to agree to meet with the federal government and its provincial counterparts to come up with a common position and a real transportation strategy that would include rail, road and air transport.

• (1610)

I think we need to reach a consensus, a bit like what is done in other countries, like the United States, and even within the European Economic Community. Why does the Parti Quebecois, the political party in office in Quebec, not ask to meet with us in order to draft a national policy?

As Quebec members in particular know full well, road conditions in the province of Quebec are rather appalling. Repair costs are very high. It does entail significant expenses for Quebec, but if Quebec and the other provinces were to meet with us to elaborate a national integrated policy on transportation, I am convinced that we could not only guarantee the vital link which the rail system represents for remote areas in Quebec, but also maintain and reduce the expenses incurred to upgrade the road system in la belle province.

**Mr. Fillion:** Mr. Speaker, I want to thank my colleague for his question which deserves a straightforward answer. Surely, Quebec is ready to sit with the other governments to discuss a complete and integrated policy for rail transportation as was done in the EEC countries that were just mentioned. These are sovereign countries that agreed on a policy, contrary to Canada,

which has not succeeded yet to come to an agreement with the surrounding jurisdictions.

Therefore, Quebec is certainly ready to take part in the decision making process and a sovereign Quebec will not isolate itself from the rest of Canada. Thus, I think it is important that Quebec has its say and that a consultation and discussion process is implemented to get a picture of rail transportation and to make the appropriate decisions.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, once again, we hear nothing but demagoguery from the opposition. It says that everything will turn out all right provided that Quebec becomes an independent country. But we must still recognize the following in the railway situation and the jobs that it represents for Quebec.

For instance, CN pays more than $500 million in salaries and benefits in Quebec. There are more than $300 million in purchases, more than $100 million in taxes, more than $100 million in pensions and benefits. Also, we should not forget that CN maintains almost 8,000 jobs in Quebec and that 30 per cent of all CN employees are in Quebec.

It is a fact that 68 or 70 per cent of senior executives are in the province of Quebec. To talk about the Constitution and tell us that Quebec's sovereignty is the only way for Quebec to pull through, particularly in rail transportation, is really giving a strange spin to the debate. I have asked the hon. member to advise his headquarters that we are ready to negotiate, to work as a true federation.

I must remind the member that the Canadian federation is a resounding success. You should explore this issue with a little more thoroughness and honesty, and try to back away from separatist and sovereignist partisanship, which does nothing to help the future of CN and transportation in Canada, particularly in Quebec.

**Mr. Fillion:** Mr. Speaker, if anyone were to ask who is the greatest demagogue here, I really could not say. According to the facts and figures that were just quoted to us, a certain amount of employment is provided.

• (1615)

However, what the figures do not show is how many jobs disappear as certain lines come up for review or are phased out. How many ephemeral jobs will come in the place of these jobs that are very well–paying? That is the question.

As for the Canadian federation, we had a chance to see what is was worth during the past century. The federation is like a sinking ship. Just look at the deficit, the debt and the rest. I think Quebecers already know the answer when they consider the real figures, not figures that try to cover up certain facts. Jobs will be lost if these railway lines are abandoned, and they will be replaced by very ephemeral jobs.

**The Acting Speaker (Mr. Kilger):** I simply want to take this opportunity to remind all members to address the Chair. The parliamentary secretary.

**Mr. Gagnon:** Mr. Speaker, again, we were talking about VIA Rail and CN. In Quebec VIA Rail provides 1,600 jobs, or 45 per cent of all jobs with VIA Rail. What does the opposition suggest? I really do not understand. They talk about a national, integrated transportation system, and then they tell me: If we have a national, integrated transportation system, we first need independence, in other words, sovereignty.

Let us put this into perspective. I ask the opposition to say yes to the Canadian federation, yes we can work together, yes we want to keep the 8,000 or 10,000 jobs that depend on CN and VIA Rail in Quebec. After all, Montreal is the linchpin of the industry, and I think they will put these jobs at risk if they insist on pursuing a line of reasoning that does nothing to help the future of those employed in an industry that is so important to Quebec.

**Mr. Fillion:** Mr. Speaker, I will simply comment on the last part of the hon. member's remarks. I have just been told that Montreal is the linchpin. Yes, but the linchpin is being moved elsewhere, as a result of cuts that were never queried, as a result of closing and abandoning certain lines, because when they did the calculations to close the lines, they added repair costs, although repairs were often done in other centres.

This means that the figures we have today do not show the true picture. I am sorry, but once again, I have to say that Canadian federalism does not serve the interests of Quebecers, although you may think otherwise.

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, I rise today to support what my colleague said about the need to renew the railway industry in this country. I agree with him that rail transportation is very important to Canadian shippers. Canada's rail system is the third largest in the world and railways play a significant role in supporting other sectors of the Canadian economy and providing jobs for thousands of Canadians.

Our shippers face intense competition from global markets and rightly demand an efficient transportation system to help them flourish. Our exporters need lower freight rates to compete globally.

The railways have taken several initiatives to make them more efficient. They are attempting to sell or abandon their unproductive lines. For example, CN plans to convey its lines in northern Quebec, very likely to short–line operators. CP is currently in discussions with the Irving Group about selling part of its network in New Brunswick.

These sales would help to preserve rail access for some shippers and free the railways of lines on which they cannot become profitable. As my colleague pointed out, federal and provincial impediments to the creation of short lines from unprofitable lines of the Class I railways unfortunately exist. I also agree on including a review of this issue as part of our rail renewal effort.

• (1620)

The railways need to make progress on other fronts as well. They must continue to improve the service which they provide to shippers if they are to compete against truckers and U.S. railroads. The railways must also continue to improve their relationships with the trucking industry so that the whole transportation system can become more efficient for Canadian shippers.

But the railways alone are not responsible for making this improvement. Labour is a key factor in determining the competitive position and viability of the railways. A skilled and dedicated workforce is essential to the successful operation of a railway.

As my colleague mentioned, rail workers are among the highest paid in the transportation industry. Their collective bargaining power, based on the railways' historical importance, has enabled them to negotiate very generous wage rates and enviable job security provisions.

However, these agreements are no longer realistic in today's rail operating environment. The railways demand greater flexibility in deploying their labour resources than the current collective agreements provide. Employees and unions, however, want to protect the jobs and benefits which they already have.

Management and labour need to come to a common understanding of the current situation. The railways are struggling to be profitable, which makes it harder for them to achieve the efficiency that Canadian shippers will badly need as the 21st century approaches.

All stakeholders must contribute to the rejuvenation of rail transport in Canada, and our government recognizes that it has a role to play in this regard.

Government must create a sufficiently flexible regulatory framework so that the railways can maximize efficiency.

I agree with my colleague that the current system hinders the railways in several respects. They must go through a long and arduous process to implement decisions which, in any other sector, could be made on a purely commercial basis.

While recognizing the need to take into account the interests of shippers and the communities involved, we also should consider allowing the railways greater freedom to restructure and modernize their networks.

Both levels of government need to look at how they might simplify the rules under which Canadian railways now operate in competition with Canadian truckers and U.S. railroads.

Like my colleague, I think that the taxation regime is significantly more burdensome for Canadian railways than for Canadian truckers or U.S. railroads. The government should assess the importance of this factor in making the railways profitable.

As regards the industry structure, my colleague mentioned the government's consideration of the unsolicited CP Rail offer for CN's eastern assets, as well as the government task force on CN commercialization.

I take this opportunity to emphasize that government must examine all options for restructuring the railways, bearing in mind that corporate restructuring by itself will not solve all the problems of this sector.

I have pointed to areas for consideration by several stakeholders—railways, labour and government—in the efforts to renew the Canadian rail sector. The regional roundtables and national roundtable on rail renewal, sponsored by Transport Canada, which my colleague discussed, will be helpful in providing this government with input from stakeholders on its efforts in this regard.

In conclusion, let me reiterate that this government is making a great effort to rejuvenate rail transport, but all parties have a role to play. We must all come together to help ensure the viability of the railways, not just for their sake, but for the sake of the many Canadians who depend on them.

[*English*]

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I am pleased to join the debate today as someone who is a great supporter of rail transportation and a great believer ultimately in high speed rail transportation, but within the context of an integrated transportation system in eastern Canada. I do not believe that ever again we will see one form of transportation being used at the expense of others in one part of the country or another.

In rising in this way, faced with the position of members opposite, I would like to explain to the House some of the background of the government's position on this very important matter.

In November 1991 the then federal Minister of Transport with the ministers of transport for Quebec and Ontario announced a joint study of the feasibility of operating a high speed train service in the corridor between Quebec City and Windsor, the busiest transportation corridor in the country.

That study was to take between 18 and 24 months and the cost of $6 million was shared equally among the three governments. The decision to conduct the study was based on the recommendations of a joint Quebec–Ontario task force report that was released in May 1991. The task force concluded that the final

decision on whether to proceed with a high speed rail project could not be made without undertaking more detailed study.

The current study includes traffic forecasts, routing, available technologies, environmental issues, funding alternatives by the private sector and by the various governments that are involved.

All of these matters are key parts of making a good decision on whether we should proceed with high speed rail transportation and if and when we do, how we should proceed. If this project is to be successful we need all information that is available.

The May 1991 report also recommended that the Government of Canada should be an active participant in the current study, and we are. The objective of the feasibility study is to recommend whether government should initiate and/or support the development of high speed passenger rail services in the Quebec City to Windsor corridor.

We know, as do members opposite, that often governments are not the best organizations to run projects of this type. Often governments are not the best organizations to fund projects of this type. Sometimes they are, but it has to be determined. It it is not a straight forward decision. If the government should decide to do something, the government should pay for it and then run it. This study is designed to show what is the best mix, private sector–government involvement, including the involvement of this level of government which as I said is very interested in this project.

Members opposite describe the government's current policy as shortsighted. In general, to me anyway, shortsighted means lacking in long term vision. I suggest that what we need in this case is long term vision, not short term expedient decisions. Studying the implication and impact of high speed rail in eastern Canada is taking the long range, proper view of the issue.

Putting in a modern railroad system is not like cutting a portage through the bush. It is not something you can set off with an axe and do. Likely you end up at the right place. It is a matter of great public interest and importance that takes time and planning. For that we need information and proper study.

• (1630)

I believe the federal government is demonstrating its sense of responsibility toward Canadians by not rushing blindly into deciding the future of high speed rail in this particular case. It would be irresponsible to decide on a project of this magnitude without having the benefit of all the necessary information.

The current study is the largest, the most in depth analysis of high speed rail ever undertaken in Canada. Over 30 consultants are involved. We must realize this study does not simply involve studying rail transportation and various options for that. The effects of these proposals on airlines, bus routes, trucking which the member opposite was just discussing and all other modes of transportation have to be considered.

My own riding of Peterborough is along this corridor. In Peterborough there is Trentway–Wagar which is one of the few large Canadian owned bus companies. We should nurture companies such as that in the same way we should nurture the Canadian trucking industry in the same way we should nurture the seaway along this route. The Quebec City to Windsor route is probably the most dense and complex transportation route in the world. The seaway is there. The House has received a report on the seaway which is having problems. We need the seaway. We need it in eastern Canada, we need it in western Canada.

Members opposite were concerned about highways in Quebec. I am concerned about highways in Ontario. I do know that what we need in this corridor is the proper mix: air, bus, trucks and the seaway altogether. That is why this government is looking at the impact, the overall positive, we hope, impacts of a high speed rail system on all of those modes of transport, their effects in eastern Canada and their effects in the whole country.

Is properly studying high speed rail for a period of time—we are looking ahead to 1995 and then ahead for many decades—inappropriate for a project so large with such wide implications? I would say not. I would say it is not shortsighted to undertake this study. We must look at the real costs and benefits over the long term to properly assess the feasibility of a multibillion dollar infrastructure project of this type.

[*Translation*]

Our decision on the future of the high–speed train should not be based on the apparent short term benefits. The government has demonstrated its commitment to deficit reduction. Given the very high deficits, governments will want to ensure that any new infrastructure project will not require large amounts of public funds.

[*English*]

We must look at the funds we are going to spend. We must look at the amounts that are involved and how those funds are going to be used. I repeat that the potential of a high speed rail service should be examined in the light of the broader context of the overall transportation needs of the whole of Canada.

The present schedule of the government provides for the tabling of a final report of this study I have described to the three governments, the government of Quebec, the government of Ontario and the federal government early in the new year. Like other members on this side of the House, I look forward to that report just as I look forward to our having the best possible integrated transportation system in eastern Canada.

[*Translation*]

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, I am pleased to rise today to speak to my colleague's motion on railway transportation in Canada. I will deal mainly with the passenger service and will use the Jonquière–Montreal and Senneterre–Montreal lines as an example.

• (1635)

According to some columnists and some comments we hear, when we speak about passenger rail service, we could just as well be speaking about a mode of transportation dating back to the 19th century and the horse and buggy. We must recognize that the passenger rail service is a modern and efficient mode of transportation and one chosen by many countries where passenger service is particularly efficient. Let met just mention Japan, Korea, Portugal, Spain, the Netherlands, France and even the United States where the size of the territory is comparable to that of Canada.

It is obvious that passenger service has its problems in Canada. Population density is very low here. But the rail infrastructure is very large in our country. It is the third or fourth in importance in the world. Our history was built around the railroad. The railway companies either in the West or from Quebec towards the Atlantic shaped our history. They played an important role.

We could say that today Canada's rail infrastructure is quite satisfactory and that we are also well equipped in transportation facilities to serve train passengers. But there are problems. Some lines have difficulties. We all know that passenger service is highly subsidized in Canada, but we will come back to that item later on. We also know that the limited number of passengers creates a problem. Railway transportation represents 3 per cent of all passenger transportation in Canada and approximately 12 per cent of all mass transportation. I am not denying that there are serious problems, but before I proceed any further I must make two things perfectly clear.

First of all, I would like everybody to understand that rail is an efficient means of passenger transportation, which has a proven track record.

In Canada, in 1977, the responsibility for passenger service was taken away from CN and CP and given to the newly–created VIA Rail. This was a company created by the government, which decided that, in Canada, passenger service would be the responsibility of this new company. It had no start–up capital and no legislative framework, as it was created by Order in Council. Consequently, its autonomy, power and independence from the government were greatly reduced. The company was simply to manage and market railway transportation in Canada. It should be pointed out that VIA Rail inherited a fleet of locomotives and cars which could fairly be described as inadequate. The system had not been upgraded. Some equipment was old and in need of replacement.

However, VIA Rail got started. It was understood that the government would absorb VIA Rail's debts and its operating costs. Every year, VIA Rail receives a grant to be able to carry out its responsibilities. This grant amounts to around $300 million a year, but the Department of Transport is planning to make cuts in the years to come. It does not augur well for VIA Rail's future. In the past few years, a royal commission of inquiry on passenger service was set up, which, by the way, cost $23 million. I understand that it concluded that the market should decide which services should be offered and that user fees should cover the entire cost of these services.

• (1640)

In other words, a line of thought now prevails in Canada that views rail transportation as just another service, not even a public service, but a private enterprise like any other. If the operation does not break even, all it has to do is shut down without public authorities having any responsibility in its closure.

I think that we are facing a crisis. The regions, my region of Saguenay—Lac–Saint–Jean, and Abitibi as well, owe their development in part to the railway. One might say that our attachment is purely motivated by nostalgia, but it is not so. We believe that, combined with other means of transportation, railway service can become efficient and cost–effective in Canada.

Take the Saguenay—Lac–Saint–Jean region for example. We have a passenger line connecting Jonquière to Montreal. There are problems, goodwill problems, although the number of train users has increased substantially these past few years. There are problems because the train is a little bit like a hidden public transit.

First of all, there are only three departures from Jonquière every week. This means that, in order to travel by train, you must have time on your hands or control your own schedule. The timetable is not particularly accommodating. Transfers pose serious problems. Take me for example. If I want to come to Ottawa on the train, I cannot get here in one day. I have to stop in Montreal overnight and take the train for Ottawa the next day.

Travel time needs to be reviewed. The actual transit time between Jonquière and Montreal is about eight hours. That is a long time and it could be made much shorter. There is room for improvement, given the applicable speed charts and the fact that priority could be given to passenger trains over freight trains, unlike at present.

Some technical problems also need to be resolved. I am thinking about ticket reservations. There is no terminal where reservations can be made in Jonquière. Every time you go to buy a ticket, the clerk has to phone Montreal. You could not find a better way to kill the reservation system. As for advertising, there is none. I never saw in my region advertising on passenger rail service fares or schedules. There are major problems.

This could be greatly improved. Last summer, my colleague, the hon. member for Champlain, submitted to the Minister of Transport a brief pointing out that several municipalities between Jonquière and Montreal and between Montreal and Senneterre do not have bus service. Rail is in effect the only means of public transportation for some communities with a significant population.

I am thinking in particular of the line between La Tuque and Senneterre, of communities like Weymontachie where 570 people live, of Casey with its 250 inhabitants, of Parent with a population of 815. People living along this line need rail service to travel to major centres and go about their business.

In some countries, passenger rail service is an efficient and sometimes viable means of transportation, of which we in Canada do not seem aware. The example I gave you involving the Jonquière–Montreal line clearly shows that nothing has been done to improve services. Nothing has been done to show people that this is an efficient means of transportation.

• (1645)

Mr. Speaker, before closing, because I want to give my colleagues an opportunity to address the House on this subject, I want to say that Canada, instead of easily putting aside a means of public transportation by raising the issue of viability and invoking some profit–oriented rules, should look a little further afield and realize, for example, that rail service can save energy and ensure a good quality of life for passengers. It is often much more pleasant to travel by train than to be packed like sardines at the back of a bus.

There are also savings in terms of physical space used, since the alternative to passenger trains is the bus and particularly the automobile. Based on what has occurred in recent years and what is anticipated in the future, the number of cars will increase tremendously. This means that more roads, and more space, will be required. There will also be a lot of traffic on these roads. This will create a rather major safety problem. If the number of cars continues to increase, we will also have to build costly infrastructures.

If, instead of merely taking a short–term approach, we integrate the railway system to other modes of public transportation and to motor vehicle transport, we can have a modern system which will take into account the needs of the public as well as the costs involved. I do not challenge the fact that we must reduce as much as possible the costs of railway transport and infrastructures, but we have to realize that a government subsidy to the railway sector will probably mean, in the long term, fewer roads to build and increased safety which, in turn, will translate into fewer automobile accidents. This aspect should not be overlooked.

Some say that cuts must be made in the passenger train service because it is not profitable, but let us not overlook the costs of highway transport in terms of infrastructures, pollution, environmental impact and space required for the construction of roads. Every aspect should be taken into consideration.

I hope that today's debate will make Liberal officials aware of their responsibility and that they will realize that railway transportation must not be overlooked when examining the issue of passenger transport in Canada.

[*English*]

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, I have listened over the last little while to members of the Bloc speaking on their position. There are several things that seem to be fairly common throughout what they are saying.

First of all they are still looking for the government to pour more money in the form of grants and subsidies into the province of Quebec. This is to help with the continuation of rail service, a service which across the country is having a tremendous problem trying to break even.

We have listened while the Bloc on a number of occasions has promoted a rapid rail line from Quebec into Ontario. To date there is no substantive evidence whatsoever that this rapid rail line is financially viable. As a matter of fact any statistics I have seen have pointed to just the opposite. It is strictly a money losing proposition.

Surely the Bloc can recognize the financial position and the crisis Canada is in. I really wonder how members of that party can stand here day after day and request that the government in fact borrow more money to plough into the province of Quebec for infrastructure and services. It just does not make sense from a purely logical point of view that members of the Bloc actually think this money is growing on trees and that they have somehow been deprived for the last 20 or 30 years. In fact, Quebec has been operating at a transfer payment deficit for many years. The funds have not exactly been withheld from the province of Quebec.

• (1650)

Now I get to my last point. In addition to all this and the fact that the Bloc has requested over and over again that more funds be poured into the province of Quebec for infrastructure and services, this is the same party whose goal in this House is to facilitate the separation of Quebec from Canada.

Of all the illogical notions I have ever heard in my life, they have the audacity to stand here and ask for more and more money to be poured into the province of Quebec, when at the same time they are trying to separate from Canada. For goodness sake, where is the logic in what they are saying? Will they get their stories straight? It just defies logic to sit here and listen to them.

[*Translation*]

**Mr. Caron:** Mr. Speaker, it is not about pouring money into Quebec but about pouring money into railway transportation in Canada, because we believe it is an efficient way to transport passengers and freight.

The hon. member takes the accountant's perspective and talks about viability, but we suppose we look at Canada the same way and ask whether Canada is a viable proposition? Every day our Reform Party colleagues tell us that the debt is increasing and that we are on the verge of bankruptcy, and in that case, since Canada is not viable, why not close it? I say this tongue in cheek, and the hon. member knows perfectly well it is not that simple.

A country is supposed to provide certain public services to its citizens, including education, hospitals, roads and the army, and it has to raise taxes and allow for a minimum of administration, all of which, if considered from a very short–term perspective, could be said to be unprofitable. For instance, is the hospital in Jonquière profitable? I have the impression it costs a lot more than what people pay for the care they get.

So one option would be to privatize. But if we privatize hospitals, schools, roads, the army, prisons, and so forth, we will get to the point that we privatize the government, and there will be no more government, no more country and no more State.

I think we should carefully consider all the consequences. We should also look at history, and we will realize that since time immemorial, public services have been subsidized by the State, and that is why the State exists, so it can provide this public service, and we believe that in Canada, transportation, including highway transportation and railway transportation, which is a part of all this, is also a public service and that citizens, considering the taxes they pay, have a right to expect satisfactory service.

[*English*]

**Mr. Harris:** Mr. Speaker, unfortunately the members of the Bloc just do not get the truth of this whole thing. Canada is almost flat broke, if not already there. We have a $535 billion debt. We are operating $40 billion in the hole a year. There is no money for increasing services. The only way that can possibly be done at this stage is to increase taxes. Quite frankly, this is not a viable option. The Canadian people and Canadian businesses are taxed to death. They cannot take any more tax hits.

If we do not get our finances under control, if we do not get our deficit under control, if we do not start attacking the debt, Canada is going to hit the wall. All these services, the transportation services, hospital services, the infrastructure that the Bloc members are talking about are simply going to be gone, period.

This is a time when Canada has to clearly distinguish its wants from its needs. What we need is what we can afford to pay for; what we want is not what we can afford to pay for. The Bloc is talking about wants. The wants side of the thing should not even be on the agenda today, considering our financial position.

• (1655)

[*Translation*]

**Mr. Caron:** Mr. Speaker, when you look at a country, you may look at its debt, but you must also consider its assets. Is Canada worth more than our present debt of $500 billion? If it is not worth more than that, obviously, we are going to disappear. But if you look at what Canada is really worth, with all its assets, its production, its natural resources, its people, if you add it all up and compare it to the debt, I believe that the difference is quite significant. My colleague will agree that to look at the debt without looking at the assets, is a bit short of good accounting practices.

With this, I will conclude, Mr. Speaker, that you must look at the assets instead of looking only at the debt.

**Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ):** Mr. Speaker, I would like to congratulate my hon. colleague for his excellent analysis and especially for having explained to the Reformers, who simply do not understand anything, that there is a difference between an asset and an expense.

When you have a productive asset, which will remain productive in the long term if you keep investing in it, in an area in development at the international level, like a railway system, anyone can understand that one day it will make the country richer. In other words it is possible to increase the wealth of a country and control spending by developing assets.

If we listened to the members of the Reform Party, with whom I work every day in the finance committee, we would empty nine tenths of Canada to fill the remaining tenth, because nothing is viable in their opinion. If nothing is viable, I wonder why they remain a federalist party. The country has to be dismantled. If they do not believe in the country as it is, why do they stay in politics? Are they here to improve the situation or to be accomplices to a systematic demolition? When it is not the railway system which is under attack, it is social programs. They started with unemployment insurance, then post–secondary education and health. If that is politics for them, hats off!

**The Acting Speaker (Mr. Kilger):** A brief comment from the hon. member for Jonquière.

**Mr. Caron:** Mr. Speaker, really, my hon. colleague summed it up very well. A country is much more than a bank account, much more than an accounting report. That is what we want to do in Quebec and we hope to be able to do it soon. At that time, we will show the Reform Party that it can work, even with people like us who sound like daydreamers, because there comes a time when if you cannot dream, you die, Mr. Speaker.

**Mr. Raymond Bonin (Nickel Belt, Lib.):** Mr. Speaker, some people may want to destroy the country, but it would be too easy to destroy the railway system in Canada at the same time.

Canadians were led to believe that Canadian National is an inefficient company that does not meet the needs of the people. After a bit of research, we would come to realize that CN is subject to Canadian legislation which prevents it from being competitive and from selling shares. When it needs capital, CN must ask banks or individuals for a loan, contrary to Canadian Pacific, which can sell shares under these circumstances.

But even without a level playing field, Canadian National was able to make some very important decisions. The company was criticized for building a tunnel which shortens the trip from Montreal to Chicago by 12 hours. First in line to criticize CN were its competitors.

Nowadays, it is easy to rise in the House of Commons and say: "We are against any measure taken to save Canadian National, only because we are against it". We must realize that the time when Crown corporations in difficulty could get cartloads full of money is over. We now have to be efficient and innovative. We already know that Canadian National can easily compete with Canadian Pacific. I am even convinced that it can do better than CP.

• (1700)

[*English*]

Another important point is that while CN has been investing large amounts in its infrastructure, CP has not been doing this. It is normal, faced with the challenge of having to invest in its infrastructure, that it would want to repeat history and say to government: "Sell us this company for a dollar. We assure you that if you let us take over this crown corporation for a dollar you will not lose any more money". Well those days are over. CN is a valuable company in spite of the pressures put on it by government. It is an efficient company. Its employees are the best in North America. They have indicated their interest in making CN work.

The Capreol Save Our Rail Committee has been formed in my riding of Nickel Belt. The northern route has been faced with the challenges that CP initially wanted to merge with CN. This is something that is almost an impossibility when we think of two competitors that have not been very good friends in the last many years.

The next option was to purchase CN for a song and a dance in the same way that the Quebec City transit system was purchased by a very prominent Canadian, and a fellow Sudburian I should mention. The story was I am told: "Sell it to me for a dollar and you will never lose a cent again".

I am an Air Canada retiree. I was a victim of privatization. I am now the best spokesman for Air Canada that one will find and it does not have to pay me to do it. I saw that company grow from a company that was harnessed and handcuffed by federal legislation.

[*Translation*]

When I was working at Air Canada, we had a suggestion program for employees. If a suggestion led to savings, we got 10 per cent. We had very good ideas as employees. The sad thing is that each time we had a good idea to make the company profitable, we were told that Canadian legislation does not allow Crown corporations to do these kinds of things.

So how can such a company compete on the international market? We know now that our competitors are not here in Canada but around the world. Global competition requires that CN be able to compete on an equal footing with CP, its competitor.

[*English*]

We have mounted a campaign in my riding with the assistance of the Capreol Save Our Rail Committee. This campaign will grow. Our message is that we are giving Canadians facts about the situation of CN. It is not an inefficient company. It is a good company and its employees are excellent. It is performing well and is presently making a profit in spite of government legislation.

I would like us to remember that the airline industry underwent exactly what is happening now in the rail industry. Let us not forget that CP Air was purchased by a smaller company named Pacific Western. At that time it wanted to merge with Air Canada and then it wanted to purchase Air Canada. It is history repeating itself.

What was the message of Canadians? The message was that we need competition in this country. We cannot have just one airline or one railroad because the shippers will be forced to pay the fees required of them.

Our message to Canadians from the Capreol Save Our Rail Committee is: Privatize CN. The employees are signing cards indicating their willingness to participate in such a move. They want to do this because they know that as long as CN is a crown corporation other companies will want to take advantage of its good position. The best people who are in a position to take advantage of the good position of CN are the employees. Therefore, we are pushing for an employee led privatization of CN much like Air Canada did.

• (1705)

[*Translation*]

I think it is important to mention that Air Canada expects at least to break even and probably to make a profit. And the privatization of Air Canada took place during a recession. While other corporations were closing in Canada, Air Canada succeeded in becoming the great company it is today and, this year, it expects to break even or perhaps even to make a profit.

[*English*]

If Air Canada was able to do this during a recession, I am convinced that CN can do it in an economic upswing. I encourage all Canadians to show their interest in participating in an employee led privatization of CN.

I am not going to dwell on the past as my colleagues from the Bloc Quebecois are doing. I will not go over all the injustices they speak of. I may indulge a bit by saying that the repair shop in Capreol, a modern facility producing more efficiently than Joffre, was closed down in favour of the shop in Joffre, Quebec. As good Canadians we did not spend all our time crying. We sat down and tried to find ways of saving these facilities. We have not given up. The employees of these facilities are signing up. It is not a firm commitment to purchase shares in CN, but it is an indication of their willingness.

I urge Canadians, members of the opposition, all members of this House to seriously consider the benefits of privatizing CN.

As a former employee of Air Canada and as a retiree I know the pride and dignity employees develop in a company when, as in my case, you work for them for 25 years. In the case of the people of Capreol it was for three generations. When you speak of pride to a grandfather about how it was when he was on the railroad, he asks his grandson or granddaughter what it is like today. The pride you develop in a company is something you have to live. It is too easy to say that you worked for a company for a number of years and you either leave with a good package and love the company or leave with a lousy package and remember it forever with animosity.

In the case of Air Canada it used to belong to CN.

[*Translation*]

The employees of Air Canada and Canadian National are proud people. They are the ones who built the company. One criticism I would make of Canadian National is that if Canadians have come to think that CN is inefficient, that it loses money and makes bad decisions and if my research leads me to conclude that the decisions made by this company are good decisions that have allowed it to become profitable right after a recession, it must mean that the status quo cannot be maintained at CN.

[*English*]

Things must change. Governments have to sit back and try to understand and face up to what it is that a government offers its population. We struggle to offer our population the social services, assistance to the needy, care for the sick, food for people who are hungry, while putting millions of dollars into a company that can do better on its own. It is time Canadians faced reality. We do not print the money any more. Times are hard, but we are coming out of them.

• (1710)

The rail system forms part of our national strategy on the movement of goods and people. If the railroads have been inefficient in the transportation of people it is because of government legislation. Let us get those laws off their backs and allow them to compete through modern legislation face to face.

The competition will no longer be only between CP and CN. CP and CN must find partners. They must have the same tools to work with because their competition is south of the border. The competition is in the trucking industry. Indications are that the trucking industry can no longer maintain its past system of movement of goods. Our roads cannot handle it. Canadians realize they are subsidizing the roads in the same way we subsidized the railroads in the past.

It is difficult for that truck driver driving at four o'clock in the morning realizing he has $200,000 debt on the rig behind him. I am a firm believer that if we plan correctly we can develop a viable system for the railroads in co–ordination and co–operation with the trucking industry. It is reasonable as Canadians to expect that everyone should participate and everyone should become a winner. The transportation of goods in Canada should be a partnership between the railroads and the trucking industry.

As I conclude I would like to repeat my previous comment. The Capreol Save Our Rail Committee has been working diligently. A few months ago its members were faced with the prospect of losing their jobs. This community is a wonderful town. I was at its Santa Claus parade last Saturday. You should see the closeness and the unity in that town.

In the same breath CP says: "We will offer you a dollar for your company and you will never lose a cent again, but one thing we will do the first day we own that portion of CN is we will close the northern line". We are not taking the attitude that we will bring government to its knees or we will bring CN to its knees. We are addressing this issue in a different, modern, Canadian, Liberal fashion. We are meeting and working together. We have opponents but we sit with them. We get to know them and we learn to work together.

We will offer a solution to Canadians. We will maintain the transcontinental line coast to coast at least on CN. We will ask that there be legislation assuring that the transcontinental line will be maintained. I know that is the desire of CN if it should be privatized. By maintaining this line and CP if it can manage to do it would be better for all Canadians.

We could compete until we learn to complement one another in a transportation system that will be the envy not only of the rest of North America but of the world. Competitors could learn to complement one another instead of competing with each other and we could develop a system in co–operation with the trucking industry. Imagine that system which would be envied by all.

**The Acting Speaker (Mr. Kilger):** 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: In accordance with the agreement reached earlier today the House will first hear the response from the government to the question of the hon. member for Calgary Southeast concerning the CRTC which can be found on page 7766 of *Hansard* of Monday, November 14, 1994; the hon. member for Notre–Dame–de–Grâce—Justice.

• (1715)

[*Translation*]

**Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ):** Mr. Speaker, before beginning my speech, I want to inform you that it will only be 10 minutes long, to allow my colleague from Argenteuil to speak.

The motion put forward today by the Official Opposition asks this House to condemn the government's lack of action and transparency with respect to the proposed restructuring of Canada's rail system, and especially its lack of vision with respect to high–speed trains.

We cannot help but conclude that the government is dragging its feet badly, as far as the high–speed train is concerned, so much so that we have to wonder whether it is not just watching the trains go by.

At a time when the government is concerned with meeting the challenge of the information highway, it is neglecting to meet the high–speed train challenge, a train which would give Canadians and Quebecers access to a modern, efficient and economical transportation system.

The high–speed train is a true revolution in the area of surface transportation. It is in some ways a revolution as significant as that of the information highway. The Europeans have understood that. While the French, the German and the Swedish have all opted for the high–speed train, the Canadian government has yet to move with the times. Introduction of a high–speed train service in the Windsor–Quebec City corridor would provide an ultra–rapid means of transportation to some 10 million people. Fifteen million trips a year require an efficient means of transportation. At the dawn of the third millennium, Canada and Quebec must develop a means of transport for the future. The HST technology is the necessary and logical solution.

Initially developed in France, this technology is characterized by its profitability, its security, its convenience, its comfort and, above all, its speed performances. Based on a revolutionary technological concept, environmentally safe, the HST causes less noise pollution and greatly reduces energy consumption. With its successful performance, it has won a large share of the European market for medium and long–distance travel. By reaching commercial speeds of 300 km/h, it has become a very competitive means of transport compared with more traditional ones. The HST is faster, more comfortable, safer and more economical than cars. It stands in sharp distinction to air transport because it channels the movement of people over the entire territory. It helps to make downtown areas more accessible. Using existent rail lines, it enters the heart of cities.

The HST technology combines three essential conditions for the success of modern means of transport: connectedness, connectivity and nodality. Given these features, an HST for the Quebec–Windsor corridor is not a project which should stay on the shelf, but a necessity.

Rémi Bujold, the president of one of the consulting firms which worked on the HST project, said that this project would be profitable if it captured 40 per cent of the market for the Toronto–Montreal corridor, which now accounts for only 13 per cent of all transport needs.

As my colleague, the hon. member for Kamouraska—Rivière–du–Loup said last May, the cost–effectiveness of that system rests on its efficiency: "It can link Quebec and Montreal in 85 minutes, Montreal and Ottawa in 45 minutes and Toronto and Montreal in 140 minutes, at 50 per cent of the cost of a plane ticket. That is a real dream".

Given the inaction of the government, my colleague was wondering if Ottawa was not more concerned with defending the interests of the airline lobby than it was willing to participate in a job creating project, one very innovative project from a technological point of view and one which would be a driving force for the economy of our own businesses.

The HST has the support of many groups and public and private organizations in Canada and in Quebec. The Bombardier multinational, an unquestionable leader in the area of transportation, is ready to meet the challenge here in our country. That corporation, founded in Quebec, is very successful in selling its know–how, its technology and its products all over the world. Team Canada just got back from its tour and the federal government takes pride in the success and the accomplishments of our businesses abroad. But what does it do to encourage their development here in Canada and in Quebec?

The Prime Minister is going nowhere and evidently his government is marking time.

• (1720)

Several studies have shown that the HST would create approximately 127,000 work–years of employment. During the construction, with the technological and economical spin–offs of such a project, nearly 40,000 additional work–years would be created in various sectors. The management and maintenance of the network would create another 1,200 permanent jobs. The costs of funds for the HST project in the Quebec—Windsor corridor are estimated at approximately $7.5 billion over a ten–year period. The private sector would assume 70 per cent of start–up costs, while the remaining costs would be shared by the governments of Quebec, Ontario and Canada.

On April 26, Marc LeFrançois, president of the board of directors of VIA Rail, made an eloquent speech in support of this project. According to Mr. LeFrançois, the survival of passenger railway services in Canada will depend on the high–speed train project. According to the president of VIA Rail, the United States is an accessible market worth many billions of dollars. The high–speed train would give our businesses broad access to the North American market, where the high–speed concept has yet to make its mark.

At a time when draconian budget cutbacks have put what is left of Canada's and Quebec's railway industry at risk, at a time when our major railway companies are becoming less and less viable and thousands of workers in this sector are losing their jobs, I think it is high time the government showed some political and economic leadership by supporting a project that would stimulate and generate employment. The government should realize that this project is not only possible but necessary. As the government keeps pouring millions and millions of dollars into the Hibernia project, whose technology is not very exportable and, from the looks of it, not very profitable and unlikely to generate as many economic spin–offs as the high–speed train project, is it surprising that people get upset about the Liberal government's failure to act?

The government cannot afford to hesitate any longer. History has shown that Canada's present geopolitical entity was shaped by the railway that connected the Atlantic to the Pacific. This episode in Canada's history goes back more than a century. Considering the deterioration of Canada's railway network, a legacy of the negligence of many successive governments in Ottawa, one wonders what the Fathers of Confederation would have had to say. They would undoubtedly condemn this government's apathy. The government must make a decision now about the high–speed train, to prevent inertia from turning into inept policy making. The high–speed train project must be kept on track. Otherwise, the Fathers of Confederation would never forgive them.

[*English*]

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, I listened again with some bewilderment to the comments of the member of the Bloc and there are a few points I would like to make.

She says that the government has been foot dragging on the high speed rail issue. Quite frankly, given the statistics, given the financial prospect, the viability of high speed rail in the Quebec–Windsor corridor if I were having to pay the bill believe me I would be foot dragging as well. I would not want to get into it.

The member talked about the success of high speed rail in European countries. For many years the high speed rail system in Europe has been heavily subsidized by the governments where the trains operate.

This country cannot afford to get into more subsidization of crown corporations or transportation systems. We are subsidized to death. We have VIA Rail being subsidized with hundreds of millions of dollars. It is interesting that the chairman of VIA Rail, a person who is operating a company at a huge loss every year, absolutely dependent on government subsidies to keep his company afloat, is now advocating and promoting a high speed rail system.

• (1725)

At least if we had some sort of track record with the company he operates, his support would at least be somewhat credible. The hon. member has talked about the economic factor of high speed rail. There is no financial data that support the fact that a high speed rail system in Canada, in the Quebec–Windsor corridor, could even begin to be financially viable without continued heavy subsidization from the government.

I would like to talk about one other thing. Where are the customers going to come from? Let us say that they did start to attract a lot of customers. Someone in the transportation industry is going to suffer. Is it going to be the airlines? Are we asking the airlines to lose more customers who would travel on trains?

Statistics and studies have shown that the Canadian people have a tremendous love for their automobiles. We are not going to change this love for the automobile that the Canadian people have simply by putting a high speed rail system in. They are not going to overwhelmingly start getting out of their cars and flocking to a high speed rail system overnight.

If this government were to enter into this thing it would be like going to the store to buy a new television set when you have no food in the cupboard. That is the state of the economy. That is the state of this financial house in Canada. We cannot afford to even think of a high speed rail system at this time.

[*Translation*]

**Mrs. Dalphond–Guiral:** Mr. Speaker, I wanted to make a definite promise but unfortunately I will not be able to keep it since, of course, I will not be sitting in this Parliament long enough. However, I can promise you that the day a train will link Montreal to Ottawa in 45 minutes, I will be delighted to take it with all the others who will want to come to Ottawa.

A high–speed train in the Quebec City–Windsor corridor will naturally be used by people who live along that corridor. Now, that area has a population of ten million people, industrial areas and many industries. That project will create almost 130 000 jobs. It is no small matter. People who work pay income tax instead of receiving unemployment insurance; so this is actually something fundamental and if the government waits too long to act, I agree that some interests have to be protected, namely those of air carriers.

When a country is in such financial difficulties as Canada, we obviously have to make the choices that are the most advantageous from an economic point of view. When a mode of transportation costs 50 per cent less than transport by air, I think that option deserves to be considered.

**Mr. Maurice Dumas (Argenteuil—Papineau, BQ):** Mr. Speaker, I will simply make an announcement. On May 23, Canadian Pacific Ltd. filed a request with the National Transportation Agency to abandon the Saint–Augustin—Mirabel—Thurso line.

The hon. member for Blainville—Deux–Montagnes, André Riendeau from the riding of Argenteuil, Paul–André David from the riding of Papineau, and myself, have prepared a submission. This document was presented to the National Transportation Agency of July 27, 1994. We requested public hearings and a five–year moratorium.

This is a rare occasion! We got the public hearing we requested, which will be held on November 22. Thank you.

**The Acting Speaker (Mr. Kilger):** It being 5.30 p.m., it is my duty to inform the House that pursuant to Standing Order 81(19), proceedings on the motion have expired.

* * *

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from November 3, consideration of the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read the second time and referred to a committee.

*Supply*

**The Acting Speaker (Mr. Kilger):** It being 5.30 p.m., pursuant to order made Thursday November 3, 1994, the House will now proceed to the taking of the deferred division on the amendment of Mrs. Tremblay (Rimouski—Témiscouata), in relation to second reading of Bill C–53.

Call in the members.

(The House divided on the motion which was negatived on the following division:)

(*Division No. 106*)

YEAS

Members

Abbott
Althouse
Bellehumeur
Bergeron
Blaikie
Breitkreuz (Yellowhead)
Bélisle
Caron
Chrétien (Frontenac)
Dalphond–Guiral
Debien
de Savoye
Duceppe
Duncan
Fillion
Gagnon (Québec)
Gilmour
Gouk
Grubel
Guimond
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Jennings
Landry
Laurin
Lebel
Lefebvre
Loubier
Marchand
Mayfield
McLaughlin
Meredith
Morrison
Nunez
Penson
Plamondon
Ringma
Rocheleau
Schmidt
Solberg
St–Laurent
Taylor
Venne

Ablonczy
Asselin
Benoit
Bernier (Gaspé)
Bouchard
Brown (Calgary Southeast)
Canuel
Chatters
Cummins
Daviault
de Jong
Deshaies
Dumas
Epp
Forseth
Gauthier (Roberval)
Godin
Grey (Beaver River)
Guay
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Macleod)
Jacob
Kerpan
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mercier
Mills (Red Deer)
Ménard
Paré
Picard (Drummond)
Pomerleau
Robinson
Sauvageau
Silye
Speaker
Strahl
Tremblay (Rimouski—Témiscouata)
Williams—92

NAYS

Members

Adams
Anawak
Arseneault
Assadourian
Baker

Allmand
Anderson
Assad
Axworthy (Winnipeg South Centre)
Barnes

| | |
|---|---|
| Bellemare | Berger |
| Bertrand | Bodnar |
| Bonin | Boudria |
| Bryden | Bélair |
| Caccia | Calder |
| Campbell | Cannis |
| Chamberlain | Clancy |
| Collenette | Collins |
| Copps | Cowling |
| Crawford | Culbert |
| DeVillers | Dhaliwal |
| Dromisky | Duhamel |
| Easter | English |
| Fewchuk | Finestone |
| Finlay | Flis |
| Fry | Gaffney |
| Gagliano | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Gallaway | Gauthier (Ottawa—Vanier) |
| Gerrard | Godfrey |
| Goodale | Graham |
| Gray (Windsor West) | Grose |
| Guarnieri | Harb |
| Harvard | Hickey |
| Hopkins | Hubbard |
| Ianno | Iftody |
| Irwin | Jackson |
| Jordan | Karygiannis |
| Keyes | Kirkby |
| Knutson | Kraft Sloan |
| Lavigne (Verdun—Saint-Paul) | Lee |
| Lincoln | MacAulay |
| MacLellan (Cape/Cap Breton—The Sydneys) | Maloney |
| Manley | Marleau |
| Martin (LaSalle—Émard) | Massé |
| McGuire | McKinnon |
| McLellan (Edmonton Northwest) | McTeague |
| McWhinney | Mifflin |
| Milliken | Mills (Broadview—Greenwood) |
| Mitchell | Murphy |
| Murray | Nault |
| O'Brien | O'Reilly |
| Ouellet | Pagtakhan |
| Patry | Peric |
| Peters | Phinney |
| Pickard (Essex—Kent) | Pillitteri |
| Regan | Richardson |
| Rideout | Ringuette-Maltais |
| Rock | Serré |
| Sheridan | Simmons |
| Skoke | Speller |
| St. Denis | Steckle |
| Stewart (Brant) | Stewart (Northumberland) |
| Szabo | Telegdi |
| Terrana | Thalheimer |
| Tobin | Torsney |
| Ur | Valeri |
| Verran | Volpe |
| Walker | Wappel |
| Wayne | Wells |
| Whelan | Wood |
| Young | Zed—132 |

## PAIRED MEMBERS

Members

| | |
|---|---|
| Bachand | Bernier (Mégantic—Compton—Stanstead) |
| Bevilacqua | Brien |
| Chan | Cohen |
| Crête | Dingwall |
| Dubé | Eggleton |
| Lalonde | Leroux (Shefford) |
| Peterson | Proud |
| Sheridan | Tremblay (Rosemont) |

• (1755)

**The Speaker:** I declare the amendment lost.

Pursuant to order made Thursday, November 3, 1994, the House will proceed to the taking of the deferred division at second reading stage of Bill C-55.

## YUKON SURFACE RIGHTS BOARD ACT

The House resumed from November 3 consideration of the motion that Bill C-55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other acts in relation thereto, be read the second time and referred to a committee.

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

(*Division No. 107*)

## YEAS

Members

| | |
|---|---|
| Adams | Allmand |
| Althouse | Anawak |
| Anderson | Arseneault |
| Assad | Assadourian |
| Asselin | Axworthy (Winnipeg South Centre) |
| Baker | Barnes |
| Bellehumeur | Bellemare |
| Berger | Bergeron |
| Bernier (Gaspé) | Bertrand |
| Blaikie | Bodnar |
| Bonin | Bouchard |
| Boudria | Bryden |
| Bélair | Bélisle |
| Caccia | Calder |
| Campbell | Cannis |
| Canuel | Caron |
| Chamberlain | Charest |
| Chrétien (Frontenac) | Clancy |
| Collenette | Collins |
| Copps | Cowling |
| Crawford | Culbert |
| Dalphond-Guiral | Daviault |
| Debien | de Jong |
| de Savoye | Deshaies |
| DeVillers | Dhaliwal |
| Dromisky | Duceppe |
| Duhamel | Dumas |
| Easter | English |
| Fewchuk | Fillion |
| Finestone | Finlay |
| Flis | Fry |
| Gaffney | Gagliano |
| Gagnon (Bonaventure—Îles-de-la-Madeleine) | Gagnon (Québec) |
| Gallaway | Gauthier (Ottawa—Vanier) |
| Gauthier (Roberval) | Gerrard |
| Godfrey | Godin |
| Goodale | Graham |
| Gray (Windsor West) | Grose |
| Guarnieri | Guay |
| Guimond | Harb |
| Harvard | Hickey |
| Hopkins | Hubbard |
| Ianno | Iftody |
| Irwin | Jackson |
| Jacob | Jordan |
| Karygiannis | Keyes |
| Kirkby | Knutson |
| Kraft Sloan | Landry |
| Langlois | Laurin |
| Lavigne (Beauharnois—Salaberry) | Lavigne (Verdun—Saint-Paul) |
| Lebel | Leblanc (Longueuil) |
| Lee | Lefebvre |
| Leroux (Richmond—Wolfe) | Lincoln |
| Loubier | MacAulay |
| MacLellan (Cape/Cap Breton—The Sydneys) | Maloney |

Manley
Marleau
Massé
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Murphy
Ménard
Nunez
O'Reilly
Pagtakhan
Patry
Peters
Picard (Drummond)
Pillitteri
Pomerleau
Richardson
Ringuette-Maltais
Rocheleau
Sauvageau
Shepherd
Skoke
St-Laurent
Steckle
Stewart (Northumberland)
Taylor
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Valeri
Verran
Walker
Wells
Wood
Zed—183

Marchand
Martin (LaSalle—Émard)
McGuire
McLaughlin
McTeague
Mercier
Milliken
Mitchell
Murray
Nault
O'Brien
Ouellet
Paré
Peric
Phinney
Pickard (Essex—Kent)
Plamondon
Regan
Rideout
Robinson
Rock
Serré
Simmons
Speller
St. Denis
Stewart (Brant)
Szabo
Telegdi
Thalheimer
Torsney
Ur
Venne
Volpe
Wappel
Whelan
Young

## NAYS

Members

Abbott
Benoit
Brown (Calgary Southeast)
Cummins
Epp
Gilmour
Grey (Beaver River)
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Macleod)
Jennings
Manning
Mayfield
Meredith
Morrison
Ringma
Silye
Speaker
Williams—41

Ablonczy
Breitkreuz (Yellowhead)
Chatters
Duncan
Forseth
Gouk
Grubel
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Schmidt
Solberg
Strahl

## PAIRED MEMBERS

Members

Bachand
Bevilacqua
Chan
Crête
Dubé
Lalonde
Peterson
Sheridan

Bernier (Mégantic—Compton—Stanstead)
Brien
Cohen
Dingwall
Eggleton
Leroux (Shefford)
Proud
Tremblay (Rosemont)



• (1805)

**The Speaker:** I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

## SOCIAL SECURITY PROGRAMS

The House resumed from November 3 consideration of the motion that Bill C–54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, be read the second time and referred to a committee.

**The Speaker:** Pursuant to an order made Thursday, November 3, 1994, the House will now proceed to the taking of the deferred division at second reading stage of Bill C–54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act.

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

(*Division No. 108*)

## YEAS

Members

Abbott
Adams
Althouse
Anderson
Assad
Axworthy (Winnipeg South Centre)
Barnes
Benoit
Bertrand
Bodnar
Boudria
Brown (Calgary Southeast)
Bélair
Calder
Cannis
Chatters
Collenette
Copps
Crawford
Cummins
DeVillers
Dromisky
Duncan
English
Fewchuk
Finlay
Forseth
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Gilmour
Goodale
Graham
Grey (Beaver River)
Grubel
Hanger
Harb
Harper (Simcoe Centre)
Hart
Hayes
Hickey
Hoeppner
Hubbard
Iftody
Jackson
Jordan
Kerpan

Ablonczy
Allmand
Anawak
Arseneault
Assadourian
Baker
Bellemare
Berger
Blaikie
Bonin
Breitkreuz (Yellowhead)
Bryden
Caccia
Campbell
Chamberlain
Clancy
Collins
Cowling
Culbert
de Jong
Dhaliwal
Duhamel
Easter
Epp
Finestone
Flis
Fry
Gagliano
Gallaway
Gerrard
Godfrey
Gouk
Gray (Windsor West)
Grose
Guarnieri
Hanrahan
Harper (Calgary West)
Harris
Harvard
Hermanson
Hill (Macleod)
Hopkins
Ianno
Irwin
Jennings
Karygiannis
Keyes

Kirkby
Kraft Sloan
Lee
MacAulay
Maloney
Manning
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McKinnon
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murphy
Nault
O'Reilly
Pagtakhan
Penson
Peters
Pickard (Essex—Kent)
Regan
Ringma
Robinson
Schmidt
Shepherd
Simmons
Solberg
Speller
Steckle
Stewart (Northumberland)
Szabo
Telegdi
Thalheimer
Torsney
Valeri
Volpe
Wappel
Wells
Williams
Young
Knutson
Lavigne (Verdun—Saint-Paul)
Lincoln
MacLellan (Cape/Cap Breton—The Sydneys)
Manley
Marleau
Martin (LaSalle—Émard)
Mayfield
McGuire
McLaughlin
McTeague
Meredith
Milliken
Mills (Red Deer)
Morrison
Murray
O'Brien
Ouellet
Patry
Peric
Phinney
Pillitteri
Richardson
Ringuette-Maltais
Rock
Serré
Silye
Skoke
Speaker
St. Denis
Stewart (Brant)
Strahl
Taylor
Terrana
Tobin
Ur
Verran
Walker
Wayne
Whelan
Wood
Zed—178

NAYS

Members

Asselin
Bergeron
Bouchard
Canuel
Chrétien (Frontenac)
Daviault
de Savoye
Duceppe
Fillion
Gauthier (Roberval)
Guay
Jacob
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Marchand
Ménard
Paré
Plamondon
Rocheleau
St-Laurent
Venne—45
Bellehumeur
Bernier (Gaspé)
Bélisle
Caron
Dalphond-Guiral
Debien
Deshaies
Dumas
Gagnon (Québec)
Godin
Guimond
Landry
Laurin
Lebel
Lefebvre
Loubier
Mercier
Nunez
Picard (Drummond)
Pomerleau
Sauvageau
Tremblay (Rimouski—Témiscouata)

PAIRED MEMBERS

Members

Bachand
Bevilacqua
Chan
Crête
Dubé
Lalonde
Peterson
Sheridan
Bernier (Mégantic—Compton—Stanstead)
Brien
Cohen
Dingwall
Eggleton
Leroux (Shefford)
Proud
Tremblay (Rosemont)

● (1810)

**The Speaker:** I declare the motion carried.

(Bill read the second time and referred to a committee.)

**The Deputy Speaker:** It being 6.15 p.m., the House will now proceed to the consideration of Private Members' Business as listed on the Order Paper.

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# PRIVATE MEMBERS' BUSINESS

[*English*]

## COMMUNICATIONS SECURITY ESTABLISHMENT

**Mr. Derek Lee (Scarborough—Rouge River, Lib.)** moved:

That, in the opinion of this House, the government should amend the Canadian Security Intelligence Service Act to authorize the Security Intelligence Review Committee to review the operations of the Communications Security Establishment (CSE).

He said: Mr. Speaker, I am pleased to commence debate on a motion that I regard as important. Hopefully it will prove to be important to Canadians in the years to come if it is adopted by the House. The motion reads:

That, in the opinion of this House, the government should amend the Canadian Security Intelligence Service Act to authorize the Security Intelligence Review Committee to review the operations of the Communications Security Establishment (CSE).

From here on in I will refer to the Communications Security Establishment as CSE; the acronym is a lot easier to say.

The motion that CSE be reviewed is not a one-shot deal. It is intended that the monitoring continue on an ongoing basis just as the Security Intelligence Review Committee now reviews the operations of the Canadian Security Intelligence Service.

The Communications Security Establishment, CSE, was born in signals interception and code breaking developments during World War II. It was established in 1941 as the examination unit of the National Research Council. For the first part of its existence the examination unit was given particular responsibility for intercepting and analysing the communications of the Vichy government in France and the government in Germany.

It is estimated that by 1944 there were about 45 employees in the examination unit among whom were some very specialized people capable of thinking and communicating in what we call ciphers and codes.

In April 1975 control and supervision of the Communications Security Establishment was transferred by an order in council under the Public Service Rearrangement and Transfer Duties Act from the National Research Council to the Department of National Defence.

The CSE was officially acknowledged finally by the Canadian government, as I understand it for the first time, when on September 22, 1983 the Hon. Jean–Luc Pepin, then Minister of State for External Relations, stated in the House:

> The Communications Security Establishment advises on, and provides the means of ensuring the security of federal government communications. It also provides, with the support of the Canadian Forces Supplementary Radio System, a service of signals intelligence in support of Canada's foreign and defence policies. I should explain that "signals intelligence" is the term given to information gathered about foreign countries by intercepting and studying their radio, radar and other electronic transmissions.

What about the budget of CSE? How much money does it spend? Actually we in Parliament who authorize expenditures for all government spending do not know because we have never been told. The question has been asked but it has never been answered.

However in 1991 it was estimated by a journalist who was well schooled on the issue—he did a lot of research and published a series of articles in the Toronto *Globe and Mail*—that the budget in 1991 was about $100 million to $125 million and that CSE employed about 800 persons.

As an aside here, what I know as a member of Parliament on the subject has come from a journalist. It has not come from questioning in parliamentary committees or in the House. We cannot find out here. In order to find this out I had to buy a copy of the *Globe and Mail*. That should say something about the process.

• (1820)

What does CSE do in its functions? We should look at that a little more closely but not too closely. CSE has a two–part mandate: first, the collection of signals intelligence on the diplomatic, military, economic, security and commercial activities, the intentions and capabilities of foreign governments, individuals and corporations. Second, it consults on the security of the communications of the Government of Canada.

We are led to believe that it is good at both tasks. The first part of the mandate is the signals intelligence program, the gathering of signals and their analysis, decoding analysis and analysis of the data. CSE with the support of the Canadian forces supplementary radio system collects, studies and reports on foreign radio, foreign radar, and other foreign electronic signals emissions to provide foreign intelligence to our government. As we will see later, some intelligence data can be and are shared from time to time with other governments.

CSE maintains signals interception facilities in several locations around the world. It uses a set of sophisticated technologies to decode and interpret. It uses leading edge induction technologies that permit it to read what is on a computer screen from a remote location. It uses voice recognition technologies and key word technologies which, with the assistance of sophisticated computers, are able to analyse and retrieve data on subjects and persons.

Presumably it intercepts signals to and from locations all over the world. At least it has the ability to do so. One would presume that it is capable of and does intercept signals sent from Canada to other parts of the world and from other parts of the world to Canada.

I do not read through that list to alarm anyone. It should not be a surprise to any member. These technologies and these functions are routinely used by most industrial countries in their gathering of foreign intelligence. I wanted to put on record that these technologies are out there and we are using them in foreign intelligence gathering functions.

What is the chain of command for CSE? Who is in charge? Who does it report to? I guess it is a bit of a puzzle but fortunately CSE through its executive and the government has been fairly forthright on that issue. It has done it over the last few years. It has not hidden it at all.

The Minister of National Defence is accountable to Parliament for the spending of CSE. The minister approves CSE's major capital expenditures, its annual multi–year operation plan, and with the cabinet committee on security and intelligence the major CSE initiatives with significant policy or legal implications.

The chief of CSE is accountable to the Minister of National Defence for financial and administrative matters but to the deputy clerk of security and intelligence in the Privy Council office for policy and operational matters. There is a two–headed management structure in place here. One is the Department of National Defence through the minister and the other is the Privy Council office, the head of which is the clerk and the political head of which is the Prime Minister.

I would note as well that the major client of CSE is the Department of Foreign Affairs and International Trade, being the major consumer of foreign intelligence data. In addition we are told in Parliament that arrangements have been put in place to ensure that CSE responds to the government's foreign intelligence requirements in a manner that is lawful, effective and sensitive to changes in international relationships.

• (1825)

I would note as well that CSE and its administrative head in the PCO have appeared co–operatively before the national security subcommittee in Parliament. That occurred at the end of the last Parliament. The amount of information conveyed was a lot less than members had hoped for, but we believe a relationship was established at that time.

In terms of communication security, the second part of its mandate, CSE is responsible for developing standards on electronic communications security for the approval of the Treasury Board, advising on the application of those security policies, and providing cryptographic material and documentation to appropriate government institutions. That is the coding exercise which prevents unauthorized parties from listening to or understanding intragovernment communications.

Also it works with international agreements in the communications and electronic security and signals intelligence programs and approves the release of classified or controlled communications security information and assets to government and non–government entities.

It reports to Treasury Board, when requested, on communications security. In fact members of Parliament rely on CSE expertise in protecting the security of our own internal communications in and around Parliament.

CSE provides a research, development and evaluation capability on security aspects of computer hardware, software and communications systems to ensure information is available to the government on the security of its computer systems and use in government.

As I mentioned before, the Department of Foreign Affairs and International Trade is the major client but there are other clients of CSE signals intelligence data. They include the Royal Canadian Mounted Police, the Canadian Security Intelligence Service and other government departments with an interest in security matters. All those exchanges of information are done by a tasking mechanism governed by memoranda of understanding, or so we are told.

Through the department of foreign affairs CSE exchanges signals intelligence data with foreign governments again through memoranda of understanding. We have never been told with whom. We can only guess.

CSE is a full partner in the U.K.–U.S.A. agreement which structures electronic signals intelligence sharing among the United Kingdom, the United States, Australia, Canada and more recently New Zealand. Again memoranda of understanding are said to be in place.

There are two questions. One is on the efficacy of CSE's spending and the other is on the potential impact of what CSE does on the rights and liberties of Canadians, given the extensive and intrusive powers of CSE.

Four years ago members of Parliament completed a five–year review of the Canadian Security Intelligence Service Act. That five–year review, after five years of operation, reported to the House in a report called "In flux but not in crisis". I read one excerpt from it that is most relevant:

> While the Committee found no evidence of abuse by other agencies, it believes that a number of other collection agencies have a substantial capacity to infringe on the rights and freedoms of Canadians. The capacity of the Communications Security Establishment is a case in point. This organization clearly has the capacity to invade the privacy of Canadians in a variety of ways. It was established by Order in Council, not by statute, and to all intents and purposes is unaccountable. As such, the committee believes that the Communications Security Establishment should have a statutory mandate that provides for the review and oversight mechanisms for the agency.

• (1830)

The recommendation of the committee, which I point out was supported by all parties in the House of Commons, was that Parliament formally establish the CSE by statute, and second, establish the Security Intelligence Review Committee as the body responsible for monitoring, reviewing and reporting to Parliament on the activities of CSE concerning its compliance with the laws of Canada.

There was not an effective response to this from the government. In fact of the 117 recommendations in that unanimous report of members of Parliament I believe the government gave a favourable response to one. Someone once suggested it was one and a half, but it was not a meaningful reply, to say the least.

What is this proposal? Why do I reiterate the recommendation and proposal of that five year CSIS review?

Let us look at what SIRC does. SIRC does two principal things. It deals with appeals by individuals regarding complaints they have in relation to security clearance procedures and requests for security clearance. That comes from individuals in all departments of government. It is multi–agency in scope.

Second and most important is that SIRC reviews the work of the Canadian Security Intelligence Service for compliance with the statutory mandate of CSIS and the policies that are articulated thereunder, and for compliance with the laws of Canada. It also looks from time to time at the issue of management efficacy within CSIS.

SIRC, the Security Intelligence Review Committee, has access to all persons and documents within CSIS for the purpose of carrying out its role. It does it on behalf of Parliament and it reports to Parliament. I and others believe that SIRC is capable

of fulfilling the same function for CSE with only a marginal increase in expenditure.

We believe, and I am firmly supportive of this, that if Parliament adopted this motion, if the government implemented it, it would be a cost effective adoption of the concept of review and oversight already adopted by Parliament and working reasonably satisfactorily.

I want to read something from the McDonald commission, which is starting to look awfully long in the tooth but is still quoted extensively in these areas. The August 1981 second report of the McDonald commission indicates there is a serious moral issue involved in the way government deals with security intelligence matters.

I see my time is running short so I will not read all of it but I certainly want to incorporate that reference in my remarks here today.

I am not saying that the CSE is out there breaking laws now. It tells us it is not. However, it does have the means to invade the communications privacy of Canadians in ways beyond the comprehension of most of us.

Why wait for a scandal, why wait for an embarrassment, why wait for someone to make a mistake inadvertently, or advertently within CSE? Let us develop now a mechanism which will cause CSE to know that it is accountable to Canadians through Parliament and through the Security Intelligence Review Committee. Then the universe can unfold. Everyone will know what the rules are. Everyone within CSE will know who the players are and what the program is.

I want to point out that SIRC reports that CSIS is already routinely making use of CSE shared data and denoting that in the CSIS data base. Therefore SIRC clearly has an interest in this.

• (1835)

I quote a former chairman of the Security Intelligence Review Committee, Mr. Ron Atkey. "We are not looking for a new, additional assignment. We have plenty to do. However, we cannot fail sometimes to observe the absence of review mechanisms in other parts of the intelligence system". He was speaking specifically about CSE.

As I wrap this up, I realize that Parliament will have an opportunity to continue to debate this issue for a period beyond today and that the matter should come to a vote in due course.

I ask all members to consider carefully my remarks and the remarks of other colleagues, and to make a reasoned decision about this when we are called on to adopt this motion.

[*Translation*]

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, allow me to first congratulate the member for Scarborough—Rouge River, who also happens to be chairman of the Sub–committee on National Security, on presenting motion M–38 to the House.

Who could be in a better position to present such a motion than the chairman of the Sub–committee on National Security! I believe that this is tangible proof that we need better control. I support the motion presented by the member for Scarborough—Rouge River, subject to some reservations I will explain and a few changes I will suggest.

When talking about an agency such as CSE, the Communications Security Establishment, it is good to give a brief historical background. My colleague for Scarborough—Rouge River went back to 1941, but I would like to review, if I may, the legal instruments which, during the post–war era, produced this institution as we know it today.

CSE first started as a unit of the National Research Council, under Order in Council 54–3535 dated April 13, 1946. CSE was the successor to the civilian and military intelligence services which, during the war, had worked in co–operation with similar British and American services.

On April 1, 1975, responsibility for this communications unit of the National Research Council passed to the Department of National Defence. CSE's mandate was never officially defined by a statutory instrument, but it is generally understood that its mandate should be limited, by the Privy Council, to Canada's external security.

While we are entitled to expect that CSE's activities are targeting communications from or to foreign countries, or relating to foreign embassies, or any communications involving at least one foreigner, recent and serious allegations lead us to believe that CSE may have intercepted, without any legal mandate, with or even without ministerial authority, conversations and communications between Canadians, in Canada, and that it may even have eavesdropped on leaders of the Quebec sovereignist movement who are operating legally and legitimately.

Since CSE is accountable only to the Privy Council, its executives and its agents may have become somewhat too lax. Therefore, it seems imperative for the Security Intelligence Review Committee, commonly known as SIRC, to review the operations of CSE, while, of course, maintaining the authority of Parliament and of the Sub–committee on National Security over CSE's activities.

• (1840)

However, like Ceasar's wife the SIRC must be above suspicion but, unfortunately, this not the case at the present time. This review committee is made up of five members. Three were appointed on the recommendation of the party which governed during the 34th Parliament, the Conservative Party. These three appointees are Mr. Jacques Courtois, Mr. Edwin Goodman and Mr. George Vari.

There are, therefore, more Conservative members in this committee than in this House. We can see, already, that the Official Opposition is not represented on the committee, and this is not acceptable.

Another member is Mrs. Rosemary Brown, Chair of the Ontario Human Rights Commission. She is working full time for that organization and we did not have a chance to meet her when the SIRC appeared before the Sub–committee on National Security. Mrs. Brown was appointed on the recommendation of the New Democratic Party which was then the third party in the House, but has now lost its party status.

Finally, the last member is Mr. Michel Robert, whose qualifications we will not contest. Our only questions are: Could Mr. Robert be slightly over–worked, since on top of being a member of the SIRC he is also working, at the government's request, on a settlement in Oka? On the one hand he must work with ministers of the Crown, and on the other he must investigate the activities of the Canadian Intelligence Security Service. Maybe he should drop one job and concentrate on the one he is best suited for.

But in order to have a watchdog, a review committee, a renewed SIRC instead of the "circus" we have at present, it is imperative that the current members of the committee resign so that new appointments can be made that better reflect the 35th Parliament. This way, three appointments could be made by the government on the recommendation of a minister of the Crown, in all likelihood a Liberal, one on the recommendation of the Official Opposition and one more on that of the third party, that is to say the Reform Party of Canada. This would be an example of democracy in action, since the SIRC, like the Senate, remained unchanged after the election.

So, I do support the motion before us, but at the condition that new members be appointed to the SIRC, especially since the current members systematically refused, when testifying before the national security committee on September 13, to answer questions put to them by the committee on behalf of the House of Commons which is supreme in that respect.

How could we trust any longer individuals who refuse to co–operate with the elected representatives of the people and hide behind an overly finicky interpretation of Section 54 of the National Security Act to say that they account to the minister and nobody else? I am sorry, Mr. Speaker, but as long as the members of the SIRC will claim to be accountable only to the minister, there will be a serious credibility problem with the very institution of Parliament as well as with the House of Commons, as a component of the Parliament of Canada. The SIRC members must be replaced with individuals who understand that, until the contrary be proved, in this country, the lawful, fundamental and primary authority rests with the representatives elected by the people to sit in this House.

• (1845)

I will conclude with the following amendment proposal: I move, seconded by my colleague from Berthier—Montcalm:

> That the motion be amended by adding after the words "Establishment (CSE)" the following: "and to table an annual report in the House on the aforementioned activities".

**The Deputy Speaker:** I declare the amendment in order.

[*English*]

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, it is my pleasure today to speak to the motion put forth by the hon. member for Scarborough—Rouge River.

The question today is not whether this House should support this motion but rather why has it taken so long to be considered. More than 10 years ago Parliament passed legislation ensuring that the activities of the Canadian Security Intelligence Service were reviewed by an independent body.

Nobody on the government side of this House would suggest that CSIS should not have an oversight body. Yet a few weeks ago ministers tried to convince this House and all Canadians that the Communications Security Establishment did not require a review body. In response to a number of questions put to her by the official opposition, the Deputy Prime Minister used the following response over and over again: "The CSE has no mandate to spy on Canadians".

This response is interesting for a couple of reasons. First, the Deputy Prime Minister was not asked about the mandate of the CSE. She was asked if it ever spied on Canadians. She refused to answer that question, opting instead to refer to the mandate of the CSE. Let us look at the mandate of the CSE. Actually, I would love to look at the mandate of the CSE but I cannot. It does not appear to have one, certainly not by statute.

In September 1990 the special committee on the review of the Canadian Security Intelligence Service Act and the Security Offences Act tabled its report entitled "In Flux, But Not in Crisis". On page 153 of this report there is the following passage on the CSE:

> This organization clearly has the capacity to invade the privacy of Canadians in a variety of ways. It was established by order in council, not by statute, and to all intents and purposes is unaccountable. While the committee understands that this agency must be shrouded in secrecy to some degree, it believes that Canadians should be in a position to understand what the organization does and should not have to wonder whether their rights and freedoms have been infringed. The committee has evidence that both the RCMP and the service have asked the CSE for assistance and as such, the committee believes that the Communications Security Establishment should have a statutory mandate that provides for review and oversight mechanisms for the agency.

Here we have an all party committee of the last Parliament calling for an oversight and review of the CSE. It is not surprising that one of the members of that special committee was the hon. member for Scarborough—Rouge River. He recognized then that there was a need for accountability and he continues to call for that accountability. Unfortunately his call has not been heard by members of his own party who sit in cabinet.

The Minister of National Defence believes there is already sufficient review of the CSE.

• (1850)

In response to a question from the official opposition on October 24 the minister made the following comments: "With respect to the CSE in particular, it is a fully constituted part of the Department of National Defence. The Communications Security Establishment reports to the Minister of National Defence who is a member of cabinet and who answers to this House of Commons".

The minister believes he has firm control of the CSE and that his being held accountable in the House is sufficient. Perhaps the minister should review the contents of the government's response to the special committee report "In Flux" entitled: "On Course: National Security for the 1990s". On pages 54 and 55 of this report the following statement is made: "CSE is under the control and supervision of the Department of National Defence". This is totally consistent with the comments of the current Minister of National Defence. "The chief of CSE is accountable to the deputy minister of national defence for financial and administrative matters and to the deputy clerk, security intelligence, and counsel, in the Privy Council Office for policy and operational matters".

Does this sound like a fully constituted part of the Department of National Defence like the minister suggests? He only has control of CSE's finances and administration. He does not have control of CSE's policies or operations. How can he be accountable?

Actually there is another interesting comment in "On Course". The previous government stated that it had been considering providing the Minister of National Defence with some additional capacities for review of the CSE. This statement would suggest that even the minister did not have complete authority to review the operations of the CSE. If the CSE does not have to answer to the minister, who is it accountable to?

That is why we are addressing this motion today. In this day and age Canadians will not accept comments from a minister that everything is okay, trust me. There has to be some form of external review.

It is well known that I am not a big supporter of the Security Intelligence Review Committee. I feel like my official opposition members that there are some real problems with the appointment to SIRC but I do feel it is a logical body and is in place to perform this review.

Canadians recently got their first significant look at the CSE with the release of the book *Spyworld*. It was written by a former employee of the CSE and provides Canadians with a glimpse of one portion of that organization.

When it was released *Spyworld* created a minor sensation with some of its accusations that the CSE had been used to spy on Margaret Trudeau, on some of Margaret Thatcher's cabinet ministers and on René Lévesque.

These incidents are peripheral events in the book. Barely any script is used to describe those incidents. However, they did emphasize the need for external review for the CSE.

It did not appear that anybody was up in arms with the main thrust of the book which was that Canada intercepts communications for intelligence purposes. It was only a few questionable incidents that caused the furore. While electronic eavesdropping may be offensive to some, it is a fact of life in today's electronic information highway.

Is our government outraged at the prospect of other countries intercepting our government communications?—no. Instead it has taken measures to combat it. Offices are electronically swept and phones are encrypted. It is part of today's reality. Similarly, no one is overly concerned that Canada may be doing the same thing to others.

As "In Flux" states, this organization clearly has the capacity to invade the privacy of Canadians in a variety of ways. This is confirmed in the book *Spyworld* when the author states that when CSE employees were testing or tuning their equipment they routinely listened to the conversations of Canadians. It is that capacity that has to be monitored to ensure that it is not abused.

• (1855)

The best way to ensure that there are no abuses is to open the operations of the CSE to external review. I therefore call upon all members of this House to support this motion put forth by the hon. member from Scarborough—Rouge River.

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, I was very pleased to second the motion put forward by my colleague and neighbour from Scarborough—Rouge River. I did so because I believe that as always my colleague has approached this matter from a clear, analytical, legal point of view, has investigated the situation to his satisfaction and has proposed a solution that he believes and I believe to be reasonable.

What I want to do in the 10 minutes that I have is just take a look quickly at the nature of the motion, why I support it and what the problems are that I see. If this motion were to pass it would send a signal to the government that the Communications Security Establishment should be under the watchful eye, if I can put it that way, of the Security Intelligence Review Committee which is a civilian review committee made up of privy councillors. Their current job is to keep a watchful eye on the Canadian Security Intelligence Service.

In order to make some sense of this, we have to know what we are talking about. What is the Communications Security Establishment? It sounds like a very laundered, nice, clean phrase. To me it is like a shadow. One can see a shadow if one knows where to look but one cannot touch it, feel it, speak to it. One cannot get answers from it and that is a problem. Like a shadow it can loom large, it can be small, it can move away. Like a shadow it can be there when we do not even notice it. I am not saying it is a problem, it is a potential problem.

What does it do? What is the Communications Security Establishment? In order to know what it does, we have to look at something called foreign intelligence. What is foreign intelligence? I am quoting from the Department of the Solicitor General: "Foreign intelligence refers to intelligence or information concerning the capabilities, intentions or activities of foreign states, corporations or persons. It may include information of a political, economic, military, scientific or social nature and can produce information with security implications".

From everything I know about CSE, it certainly would fit within that definition. It has two functions. Before I get to those two functions, I want to remind this House that the CSE does not exist alone in the world. There are comparable organizations in other countries and it might be interesting to let the House know what those organizations are so that we can see where Canada fits in.

In the United States there is such an agency. It is called the National Security Agency. In the United Kingdom it is called the Government Communications Headquarters. In Australia it is called the Defence Signals Directorate and in New Zealand it is called the Government Communications Security Bureau.

Communications is the link here but it is not communicating. It is listening to communications. The question whose communications is it listening to? Might it be our own private communications? We do not know.

How did CSE come to be? How did the shadow come to exist? Was it an act of the Parliament of Canada?—no. It was by executive order, by order in council. This is a very significant point because it is therefore not a creature of statute and I want to refer to that near the end of my remarks.

• (1900)

Having been created by order in council, what is its purpose? What does it do? Well, we are told that it has a signals intelligence capability sometimes known as SIGINT, that is offensive in nature. I guess that means it is intrusive. It listens in on conversations. Then there is an information or communications security component sometimes known as INFOSEC or COMSEC. These sound like codes to launch missiles from a site in Boulder, Colorado. INFOSEC or COMSEC is a defensive capability.

We are told by Ward Elcock, who at that time was the deputy clerk and in charge of at least a portion of CSE, that one of the functions of COMSEC deals with security of communications of the Government of Canada. It is very important. The second responsibility is the collection of signals intelligence which is intended to provide the government with foreign intelligence on the diplomatic, military, economic, security and commercial activities, intentions and capabilities of foreign governments, individuals and corporations. I suppose there is nothing wrong with that. We want to make sure we are protected in this country.

That is what it does, assuming anybody can understand INFOSEC, COMSEC, SIGINT, et cetera. Presumably the people who work there—the chief as he is called or perhaps it is a she now, we do not know—they know what it is supposed to do.

One might say fine, we know how it was created. We know what it does. To whom does it report? That is a legitimate question. Since there is no statute one can assume it does not report to Parliament. Guess what? We are right. It does not report to Parliament. Presumably it reports to the Minister of National Defence. The Minister of National Defence is supposed to report to Parliament. The chief, who I mentioned before also reports to the deputy minister of National Defence for financial and administrative matters interestingly enough, and also to the deputy clerk, subtitled security and intelligence and counsel, in the Privy Council Office for other matters.

What is the missing link? The people of Canada. The missing link is this Parliament. Is that a problem? As I see it there is a problem. There is no legislative mandate upon which to found

the intrusive actions of this particular agency, or I should say potentially intrusive, on Canadians.

There are no written rules by way of statute or regulations. There may be written rules that the chief from time to time issues or the deputy clerk, or the deputy minister, or the Minister of National Defence. If there are written rules in effect they are unknown rules, certainly unknown by the people of Canada.

Without public scrutiny I maintain there is a credible argument to say there are no proper controls. After all if everything is done behind closed doors how can one ever know if the controls were properly applied? What is more important, there is no monitoring to ensure that laws are not being broken and that if laws are broken that there is some mechanism to deal with that. To me that is a major potential problem.

Contrast this to our own spy agency. We do not call this a spy agency; we call it the Communications Security Establishment. However our own spy agency which we acknowledge is a spy agency was created under statute by this Parliament. It was given rules by this Parliament. It reports to a minister who then reports to this House yearly. It is required in effect to be monitored by the Security Intelligence Review Committee, which as I said is a civilian agency.

I have to ask myself, if it is good enough for our spy agency why is it not good enough for our Communications Security Establishment? Indeed, this is not some flash that I had. This was recognized in the parliamentary committee report "In Flux but not in Crisis" that my various colleagues have talked about. It recommended not only as this motion does that SIRC should review CSE's work, but also that CSE should be formally created by statute.

• (1905)

I certainly support both of those recommendations which indeed were unanimous. I cannot see any logical basis in a democracy not to have the Parliament of Canada through some committee review this agency. I am pleased therefore to support the motion.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, for months now the official opposition has been alerting the government about this national security problem. The opposition has questioned the government repeatedly in an attempt to find out who controlled whom, who ordered this or that job, exactly who asked for which investigation, but has never been given an answer.

And yet some questions were easy to answer. We were just asking for the names of people who are paid out of Canadian and Quebec taxpayers' money, but to no avail. I personally asked, in all sincerity, who was controlling the spies in this country, specifically with regard to CSE, but never got any answer. The official opposition received no satisfactory answer and neither did millions of Quebecers and Canadians. This is clear from the newspapers and editorials.

Our worries began with the disconcerting revelations about the illegal activities of the Canadian Security Intelligence Service. These were followed by the new revelations about the Communications Security Establishment, which only added to our fears and confirmed that nobody was keeping an eye on the spies in this country, which prides itself on being democratic and one of the best countries in the world.

After weeks of waiting, what is the government offering us to set our minds, and those of taxpayers, at rest? Nothing. Finally, a government backbencher was moved to present the following motion: "That, in the opinion of this House, the government should amend the Canadian Security Intelligence Service Act to authorize the Security Intelligence Review Committee to review the operations of the Communications Security Establishment". This is a very telling motion, one which confirms our concerns and one which, in particular, proves that the official opposition was right.

First of all, the member is to be congratulated for having understood the official opposition's indignation on this issue. He is unfortunately one of the few to have understood our legitimate concerns, or rather he is one of the rare members of the present Liberal government who, upon crossing the floor, did not change his position on national security.

Need I remind you that when they were in opposition, the Liberals demanded exactly what we have been demanding for months, that is, more parliamentary control over spy organizations in Canada? We only have to read House and committee minutes to see that, in their lean years, the Liberals were calling for more openness. The times have changed now that their bellies are full. True, the carelessness and lack of action are typical of current-day Liberals, but it is still amazing in this field.

I must conclude that we will have to be satisfied with this motion when disclosures and allegations of illegal activities by the CSE are increasing and suspicion becomes the rule. What will this motion accomplish? Will this proposed amendment, if it is adopted, reassure taxpayers? Will the proposed amendment allow us to find out exactly what the Communications Security Establishment does and how it uses the $250 million—which is a very conservative estimate on my part—that this federal agency spends every year? This is a legitimate question we have a right to ask ourselves.

My constituents in the riding of Berthier—Montcalm are asking themselves this very question, and for good reason. To find out the answers, we must look at what the Security Intelligence Review Committee or SIRC has done in the past.

• (1910)

Since the past is an indication of the future, it is important to find out how these Sherlock Holmeses of national security, these truth seekers, these Colombos of Canadian espionage, these watchdogs of House secrecy, operate.

But, seriously, before putting an extra burden on these part–time defenders' frail shoulders, we must answer these questions. Putting the CSE under surveillance is a very good idea per se.

That is why I can tell you right away that I will support this motion. It is the organization to which we want to give this monitoring authority that is the problem. It is supposed to reassure the elected members and taxpayers, but its chairman says that in this service, they never say either yes or no; you will agree with me that that is not so reassuring.

As matters stand, we must answer no to the questions which I raised earlier. You will understand the reason for the Bloc Quebecois's amendment about follow–up, asking SIRC to report to this House, so that this House can monitor the organization which is supposed to monitor the CSE.

Although the motion is acceptable to the Official Opposition and the law creating SIRC, although flawed, is acceptable, I still say to you that if I were the Solicitor General of Canada and had this law in my hands, you would not recognize it once it had been through my office, it would be changed so much. As the saying goes, we make do with what we got, so we must somehow manage with the law we have. So why does the Bloc Quebecois always have concerns about SIRC? What worries us?

I think that my colleague in the Bloc Quebecois, the member for Bellechasse, summarized it very well in his opening speech, supporting the position of the Official Opposition on this subject. It is not the container but the contents of SIRC that must be changed first of all!

The well–known Conservatives on it no longer have any legitimacy. They no longer have any business there. In my opinion, they never had any business there because SIRC should be non–partisan. But since the system is the way it is, let us keep following the rules.

Again, as I did in the past, I ask, and I hope they are watching, Mr. Jacques Courtois, Mr. Edwin A. Goodman, Mr. George W. Vari, and even Mrs. Rosemary Brown, whose party no longer exists either, at least officially, to resign so that SIRC will reflect the democratic reality of the current Parliament.

With a minimum of four new members and an expanded mandate, SIRC could fulfill its primary role of watchdog. Its monitoring responsibility could then be increased.

I am anxious to see the government's position regarding this motion. I hope the Liberals will support it, especially since it is a motion tabled by a government member, a backbencher but a Liberal member. I hope that the Liberals will gladly support the motion. If it is carried in its present form, that motion will expand the responsibility of the Security Intelligence Review Committee. Consequently, it is important to get things right from the start.

I will end by saying that, in SIRC's 1993–94 annual report, the author refers to William Pitt's line to the effect that where there is no law, tyranny takes hold. Mr. Speaker, I might add that this view is based on the premise that we can trust those who are supposed to apply the law and especially to monitor it. Thank you.

**The Deputy Speaker:** The hour provided for the consideration of Private Members' Business has now expired.

[*English*]

Pursuant to Standing Order 93 the order is dropped to the bottom of the order of precedence on the Order Paper.

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## ADJOURNMENT PROCEEDINGS

• (1915)

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

**The Deputy Speaker:** Under an agreement made today, the Parliamentary Secretary to the Minister of Canadian Heritage because of a misunderstanding will answer a question put by the hon. member for Calgary Southeast that was not answered last evening.

### CRTC

**Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.):** Mr. Speaker, last March the Minister of Canadian Heritage was approached in his constituency office by a constituent whom he had not met before and who he has not met since, to write a letter drawing the attention of the CRTC to his application for a radio licence.

The minister explained to this constituent that as the minister responsible, he could not interfere with the workings of the CRTC but he agreed as a member of Parliament to do his best to ensure that he was treated fairly.

On March 15 the minister wrote to the chairman of the CRTC in his capacity as the MP for this constituent, asking the commission to give the application a fair hearing. This was the letter of an MP seeking to ensure that a constituent received due process. The letter was not meant in any way to be an endorse-

ment of the licence application, nor was it intended to exert pressure on the CRTC.

On March 30 the CRTC acknowledged his letter, categorizing it as a letter in support of the licence applicant. That acknowledgement letter was never brought to his attention. If it had been he would have immediately rectified the matter.

As soon as he learned that one of the interested parties wrote to him in September regarding his "alleged support" for the licence application, he took immediate action. He wrote to the interested party clarifying his earlier letter and clearing up any misunderstanding. In this letter dated September 30 he wrote:

> My letter of March 15, 1994 to the CRTC simply asked that due consideration be given to the application. It is not intended to convey support for or opposition to the application. The CRTC is the body mandated by law to make independent decisions on all such applications. It is, therefore, for the CRTC to weigh the merits of the arguments raised by the applicants and the interveners.

Members will note that he took these actions before the matter became public. He did his best to clear up the situation, not because of public or media pressure which did not exist at the time, but because it was the right thing to do.

## JUSTICE

**Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.):** Mr. Speaker, on October 25 I asked the Minister of Justice whether he would amend article 690 of the Criminal Code to correct inadequacies in that section of the code and in the process that that section sets out.

This is the section of the Criminal Code which allows the Minister of Justice to order a new trial when a person has been sent to prison wrongly, unjustly, due to a mistake, due to false evidence, due to the fact that evidence has been hidden, and so on. There have been many criticisms of the article in recent years.

We are all familiar with how the article has been used. It was used in the case of Donald Marshall who was in prison for 10 years for a crime he did not commit. It was used by David Milgaard who was in prison for 23 years and found to have been convicted on false evidence.

We have seen this happen in other countries too. Recently many of us saw the film *In the Name of the Father* about the Gilford four in England, the Irish people who were convicted by rigged evidence. It took them considerable time to have their case reviewed and to be released from prison. In the United States there is a famous case of Rubin Carter who was in prison for a long time and then released because it was found that there was a mistake.

This is the article that gives the Minister of Justice the power to order a new trial when it is found that a mistake has been made or false evidence or hidden evidence or new evidence has been brought to light.

But the criticism is that while this is in principle a very good process, it is inadequate in that the delays are inordinately long. It took a considerable period of time for Donald Marshall and David Milgaard to take advantage of that section. The delays carried on and on.

Second, the whole process is carried on in secret and there is no accountability by the Minister of Justice and those who help him with these cases with respect to the public.

Third, the Attorney General in these matters serves both as the judge on those applications and the prosecutor and consequently there is a bit of incompatibility.

Finally the criteria for what will constitute sufficient new evidence or a mistake for release are vague and have varied from Ministers of Justice.

There have been several proposals to correct this. The major ones recently have been put forward by an organization called the association in defence of the wrongly convicted. The short word for that organization is AIDWYC. It had a conference in Toronto last February where they proposed certain changes to article 690 to make it more acceptable to take care of those, to have the whole process done in a much quicker way, to have it more accountable, to have it more objective and so on.

When will the Minister of Justice bring in changes to article 690 to accomplish some of the goals that have been put to him by such organizations as AIDWYC?

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I wish to inform the hon. member that the Minister of Justice is continuing to address the concerns of those who have criticized the s.690 process by improving its procedures.

Several steps have been taken to this effect. The minister's decision in the application regarding Colin Thatcher was published to make the public aware of how the process works and what principles apply to govern the use of the s.690 powers.

The department has also published a fact sheet that describes the criteria for applying, who can apply, how and where to apply and what information applicants need to complete their applications.

The published information also describes how applications are assessed. This information shows that a great deal of work goes into the assessment of an s.690 application. To do a conscientious and thorough job takes time. Sometimes applicants submit additional grounds to be considered for their s.690 review. When such submissions are received months or even years after the initial application this extends the amount of time needed to investigate and assess cases.

I can assure the hon. member work is currently under way to reduce the inventory of applications and to process applications more swiftly.

Those who say that the process is not independent ignore the fact that the vast majority of s.690 applicants were prosecuted by provincial attorneys general. Thus, there are very few instances in which the Attorney General of Canada must consider a case that was prosecuted by his agent. When that happens from outside the department counsel are retained to assess the application and advise the minister.

It is the duty of those who assess the applications to examine them conscientiously and thoroughly as it is the minister's duty imposed upon him by Parliament to review the applications and make the necessary decisions.

**The Deputy Speaker:** Under Standing Order 38(5) a motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m. under Standing Order 24.

(The House adjourned at 7.24 p.m.)

# HOUSE OF COMMONS

**Wednesday, November 16, 1994**

The House met at 2 p.m.

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*Prayers*

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## STATEMENTS BY MEMBERS

[*English*]

### COMPUTERS FOR SCHOOLS

**Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.):** Mr. Speaker, the students of my riding of Restigouche—Chaleur have benefited from a unique partnership of the government and three of North America's multinational software firms.

Organized by Industry Canada the computers for schools program is allocating hundreds of pieces of used government computer equipment to schools all over Canada.

[*Translation*]

My riding of Restigouche—Chaleur has already received 20 new computers. This is recycling in the 1990s. In addition, the major computer companies allow old computer programs to be transferred in order to benefit students. This is understanding in the 1990s.

[*English*]

A partnership between the public and private sectors is benefiting New Brunswick students and helping nurture a culture of learning and innovation. I would like to congratulate all those involved.

* * *

[*Translation*]

### LOUIS RIEL

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, 109 years ago today, Louis David Riel, the Métis hero, was hanged, an event that caused turmoil and indignation among French Canadians. A crowd of fifty thousand gathered on the Champ-de-Mars, in Montreal, to hear Honoré Mercier speak his now famous words of tribute.

The prime minister of the day, John A. Macdonald, was careful not to have Riel tried in his native province, where he had led the struggle to have the fundamental rights of Canadian Métis respected.

In order to redress this historic injustice, the Bloc Quebecois is today tabling a bill to revoke the conviction of Louis Riel.

Louis Riel was hanged because he was a Métis, because he was a francophone, because he went to the defence of his nation. His execution by hanging is one of the darkest moments in our history. A refusal to acknowledge it is a refusal to understand the present and a refusal to build a future.

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[*English*]

### BARRIE'S NORTH COLLEGIATE SKI TEAM

**Mr. Ed Harper (Simcoe Centre, Ref.):** Mr. Speaker, I rise in this House today to congratulate the student athletes of Barrie's North Collegiate.

The junior boys Nordic ski team has been awarded the prestigious honour of representing Canada at the 1995 International Schoolsport Federation ski event. They will be travelling to Italy in February to compete with other student athletes from around the world.

It is encouraging that these young people have chosen to channel their energy and pursue athletic endeavours. They are a source of pride to their parents, their classmates, their teachers and their community.

I believe it is important to recognize that the vast majority of our young people are hard working and want to be involved and committed citizens of Canada.

The team is raising $15,000 for this trip from private sources and I encourage their efforts.

I congratulate the team members: Clayton Parent, Joe Tuck, Matt Goodman, Doug Smith, Chris Hogan, and Jason Van Noortwyk, and their coaches Ann Scully and Cathy Cudmore on receiving this honour. I wish them all the very best in Italy.

* * *

### LOUIS RIEL

**Mr. Ronald J. Duhamel (St. Boniface, Lib.):** Mr. Speaker, many Manitobans and Canadians remember Louis Riel today.

This morning in my riding the Manitoba Metis Federation held a ceremony to mark the 109th anniversary of his death, to recognize Metis Week and proclaim November 16 as Louis Riel Day.

[*Translation*]

On March 10, 1992, in response to a government petition, I applauded the government's gesture of recognizing Louis Riel as the founder of Manitoba and his contribution to Canada. That same day, I requested that we go one step further and recognize him as one of the fathers of Confederation. This is still my position.

* * *

[*English*]

## PARTNERS IN EXCELLENCE PROJECT

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, I would like to bring to the attention of the House the co–operation that exists between corporations and high schools in Scarborough.

• (1405)

Recently Novopharm, a Scarborough based pharmaceutical firm, announced a partners in excellence project with Sir John A. Macdonald Collegiate Institute. The program will promote the study of science at the high school level.

The company will sponsor science related events such as the junior science olympics. It invites students to participate in a corporate environment. Students will gain hands on experience.

The school will have the opportunity to undertake exciting new and bold initiatives. Together Novopharm and Macdonald Collegiate will be able to offer the highest quality educational opportunities.

I would like to take this opportunity to compliment and congratulate Mr. Leslie Dan of Novopharm and Mr. Glen Tarver, principal of Macdonald Collegiate for their initiative in establishing this program.

* * *

## DEFICIT BONDS

**Mrs. Karen Kraft Sloan (York—Simcoe, Lib.):** Mr. Speaker, I would like to take this opportunity to put forward a proposal to help the Minister of Finance combat the deficit. This idea evolved from a town hall meeting at the Green Briar Senior Citizen Community Centre in Alliston.

These constituents suggested the issuance of a deficit bond which would enable the government to buy back foreign owned debt. This would be similar to the war bond concept used during World War II.

These senior citizens expressed their concern for the deficit and the impact it will have on future generations. They have also expressed their willingness to help the government in deficit reduction.

I urge the Minister of Finance to seriously consider this constructive suggestion as a means to curtail the deficit.

* * *

[*Translation*]

## SOCIAL PROGRAM REFORM

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, a study commissioned by the Quebec health and social service council shows that the past four years have been particularly hard economic times for Canadians. Everyone suffered from the recession, but the hardest hit were the disadvantaged who were unable to re–enter the labour force.

Commenting on the social reform and emphasizing the fiscal restraints imposed by governments, Pierre Fortin, an economist, sums up the situation as follows: "There is no need to turn everything upside down on account of a temporary slump. The danger is that a system that our parents and grandparents took 40 years to build will be destroyed".

We must not do away with our social security system at the first sign of trouble. In such circumstances, the role of government must be to help the disadvantaged, not to crush them.

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[*English*]

## CANADA PENSION PLAN

**Mr. Cliff Breitkreuz (Yellowhead, Ref.):** Mr. Speaker, I have just completed a series of town hall meetings in my riding about the desperate state of Canada's social programs.

Constituents were dismayed to learn that in just 15 years current social safety nets plus interest may consume 100 per cent of federal spending. But what upset them most was the fact that they are getting ripped off worse than they thought by the federal government.

They thought they were paying into the Canada pension plan as an investment for their retirement. But because of government mismanagement, the CPP fund is short hundreds of billions of dollars which means that contributions are little more than a payroll tax.

Constituents want to know why the Minister of Human Resources Development did not address the CPP problem in his discussion paper. They wonder why the minister is not moving away from the present debt ridden social welfare state.

[*Translation*]

## MICHEL BELLEMARE

**Mr. Eugène Bellemare (Carleton—Gloucester, Lib.):** It is, as you can no doubt understand, Mr. Speaker, with great pleasure and pride that I rise in this House to announce that, on Monday, my son Michel, a young lawyer aged 27, was elected to the municipal council of Ottawa–Carleton.

With a population of three quarters of a million, the Regional Municipality of Ottawa–Carleton is made up of 11 local municipalities, including the Municipality of Gloucester, where Michel was elected. I join his wife, Nathalie, as well as our entire family and his team in applauding this great victory.

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[*English*]

## CANADIAN CULTURE

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Mr. Speaker, our culture is our identity. It instils in us a pride and enables us as Canadians to define ourselves and our place in the international community. Our arts, sports, languages, natural parks, heritage sites and multicultural heritage all contribute to the diversity of Canadian culture.

With the globalization of trade and the rapid expansion of information technology Canadian culture will play an integral part in driving our economy. Agencies such as the CBC, the Canada Council, the National Library, our museums and archives support the culture of a smaller population living in a vast area of land.

With growing competition from our American neighbours it is now more important than ever for our government to ensure adequate Canadian content in television programming, radio and books. We must continue to develop policies that make our unique culture accessible to Canadians.

* * *

● (1410)

## REGINA RAMS FOOTBALL TEAM

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** Mr. Speaker, I am proud to bring this news to the attention of the House of Commons.

The news is that the Regina Rams, our Canadian junior football league team, has captured their 12th Canadian title by a 52 to 6 victory in Saturday's Canada bowl in Montreal. This is the second straight Canadian junior football league title for the Rams who won their first national crown in 1966.

Special recognition should go to coach Frank McCrystal. He has been a part of nine championships, four as head coach, two as an assistant coach, and three as a player.

This team of energetic young Canadians has been outstanding and hard working all season. The fans in Saskatchewan are very proud. I want to congratulate the team and wish them well in their next season as well.

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[*Translation*]

## FOREIGN POLICY

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, in its majority report tabled yesterday on Canada's foreign policy review, the Liberal majority shows an incomprehensible mistrust towards the United States, which is still our main trading partner. Instead of noting the continentalization of our economy, the Liberal majority has adopted an unhealthy attitude towards the U.S.

The report is very eloquent in this regard. When dealing with Canada's trade relations with the Asia–Pacific region, it talks about challenges, but on the subject of trade with the United States, it talks about problems. These very different terms reflect the Liberals' mental block towards our southern neighbours. The existential problem of Canada, torn by a double identity, will not be solved through this stubborn refusal to accept the American reality. Obviously, the Liberals have not managed to extricate themselves from the vicious circle in which the Canadian establishment has been caught for decades.

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[*English*]

## 1995 CANADA WINTER GAMES

**Mr. Charlie Penson (Peace River, Ref.):** Mr. Speaker, today is an important day in the Peace River country of Alberta. In 95 days, beginning February 19, 1995, the Canada winter games will be held in Grand Prairie.

I along with the people of the Grand Prairie area would like to take this opportunity to welcome everybody across Canada to the 1995 winter games. I would also like to congratulate all the volunteers for all their hard work and dedication to this national celebration of amateur sport.

Grand Prairie is ready to host the best ever Canada Games and is looking forward to welcoming all Canadians from February 19 to March 4, 1995.

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## POST–SECONDARY EDUCATION

**Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.):** While the reduction of the deficit remains one of the

most important objectives of the government, it is imperative that it should not be done at the expense of the education of our young people. Today's student demonstration on the Hill underlines this principle.

More than 900,000 full time post–secondary students could be directly affected by the government's proposal to cut back on transfer payments earmarked for post–secondary education to the provinces. The present level of funding for post–secondary education must be maintained to academically and technically equip young Canadians as they head into the 21st century.

As the red book states, the government has a direct interest in ensuring that our young people have the best possible opportunity to gain the skills and knowledge needed to lead productive and self–sufficient lives. This noble principle must be followed through.

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### LAW OF THE SEA

**Mr. Derek Wells (South Shore, Lib.):** Mr. Speaker, 12 years ago the United Nations law of the sea treaty was adopted. Today that treaty comes into force.

This treaty, which took over 10 years to negotiate, provides Canada with sovereign rights for exploring and exploiting the natural resources of approximately 1,500,000 square kilometres of continental shelf off our Arctic, Pacific and Atlantic coasts. The treaty also gives Canada jurisdiction over the living resources within a 200 mile limit.

Although the treaty is now in force and many of its provisions have been implemented in state practice and accepted as customary international law, over 70 countries including Canada have yet to ratify it.

Over the past year Canada has taken steps beyond this treaty to protect its fish stocks. Perhaps now we should consider playing a leading role in calling for and participating in the widespread ratification of this treaty.

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[*Translation*]

### SOCIAL PROGRAM REFORM

**Mr. Raymond Lavigne (Verdun—Saint–Paul, Lib.):** Mr. Speaker, six weeks have gone by since the green paper on social reform was published. Canadians are fully involved in the debate.

• (1415)

The Department of Human Resources Development has received 12,000 telephone inquiries. One hundred and fourteen thousand copies of the green book, including 33,000 in French, and 210,000 summaries have been distributed. Since late October, 190 members of Parliament have held public consultations in their ridings and 80 national organizations have appeared before the parliamentary committee.

Canadians know that changes are needed. They want to get involved and they want to debate ideas. The government is ready to listen to all Canadians.

* * *

[*English*]

### POST–SECONDARY EDUCATION

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, the federal Liberals' review of social programs is giving every indication that funding to universities and colleges throughout Canada will be cut and the individual cost to post–secondary students will increase.

Saskatchewan Premier Roy Romanow said of the federal government: "From our point of view the federal government is saying that debt is no good for government but it is okay for students".

Yesterday my colleague from Winnipeg Transcona reminded us that as a nation we are expecting Canada's young people to pay off a national debt not of their making and now it seems we encourage them to accumulate personal debt as well in the process.

If education, knowledge and skills are required to provide the basis for a healthy economy, the role of government must include ways to increase accessibility to the institutions that can make education, knowledge and skills available.

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## ORAL QUESTION PERIOD

[*Translation*]

### POST–SECONDARY EDUCATION

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, there is a big demonstration today of students who are rightly concerned about the impact of social program reform on the funding of post–secondary education. By cutting transfers to the provinces, the federal government will force a substantial rise in tuition fees and seriously restrict access to university education.

My question is for the Minister of Human Resources Development. Since the students' concerns are well founded and given the extent of the criticism of his reform, does the minister promise today to reconsider his government's intention for financing post–secondary education?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, as the hon. member knows, in the green book we present several options. One is to continue with the existing status quo, a formula that was put in place by a government of which he was a member which reduced transfer

payments to Quebec alone of a quarter of a billion dollars. He was a member of that government. I know the hon. member is well versed in this matter, and that is one of the options.

Another option we are presenting is a way of finding a formula that would add an additional $10 billion to the funding of higher education, $10 billion that would go for funding laboratories and libraries and increased accessibility.

[*Translation*]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, this is a government which definitely intends to cut transfers to the provinces for post–secondary education and thinks that it can hide behind a government which I was proud to quit.

Do the minister, the government and the governing party realize that by cutting federal contributions to the provinces, the reform of social programs will add to students' indebtedness and transfer part of the federal debt problem onto them?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. Leader of the Opposition had so much pride that he did not dare open his mouth or leave a government at the time when the Conservative government cut transfer payments to Quebec by a quarter of a billion dollars. That is how much pride he has. Why did he not speak up then if he is so strong now?

I will simply point out one fundamental fact. There is nothing in our proposal that says we will cut the transfer payments to provinces. The provinces today receive over $6 billion in transfer payments. Ten years from now they will receive $6 billion in transfer payments. All this talk about a reduction of $2.6 billion is pure rubbish.

• (1420)

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I had so many reasons to leave that government I did not have time to express them all when I left.

How can the minister claim that the acquisition of knowledge is a primary goal of this government and the main method to encourage economic development when at the same time his reform will block access to university for thousands of Canadians and Quebecers?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the first time I have ever been in a agreement with the hon. chief of the opposition is when he said there were so many reasons to leave the past government. The only question I have in return is why did he leave it so late?

I said in my answer to the previous question that we clearly have stated we will continue the transfer payments based on the formula in place now.

What we want to do, and this is why we are simply putting a proposal out for serious discussion and debate, is to find a formula that will add an additional $10 billion over the next 10 years, an additional $10 billion that can be used to provide further access for students who cannot get there now.

There are a quarter million Canadians in today's workforce who want to go back to college and university. We have to find a way of funding them. We have to find a way of improving the spaces, the facilities and the services.

That is the reason we have to find more money for the system and we want to do it on the basis of finding a fair allocation between government, the private sector and the students.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, my question is also for the Minister of Human Resources Development.

The minister persists in denying the negative impact of his reform on Canadian students' indebtedness and on accessibility to post–secondary education. By cutting transfer payments to provinces for post–secondary education, his reform will have the effect of at least doubling tuition fees in the very first year, according to the Association of Universities and Colleges of Canada.

How can the minister continue to claim that access to post–secondary education will not be reduced, considering the unprecedented increase in tuition fees triggered by his reform?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I have never made those claims. What I have said in fact is that under the system we have now tuition fees have been rising at a rate of 10 per cent a year.

I want to point out, particularly to the member of the Bloc Quebecois, that is not our decision. That is a decision taken by provincial governments. They make decisions on education, not the federal government. It is the federal government that transfers the money. Unfortunately a lot of the money we transfer never ends up in the hands of the universities.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, the minister says he has never made such claims, but this is what he wrote in his green book.

How can the minister remain so insensitive to the current problem of students getting into debt? Indeed, by triggering a twofold increase in tuition fees, his reform will result in heavier debt loads, to the point where many will no longer dare to pursue

the goal of a post–secondary education, for fear of incurring an uncontrollable personal debt.

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member claims that we have been insensitive to students' concerns.

I would remind him that in this year alone we have allocated over $700 million for student employment strategy which is providing spaces for thousands upon thousands of students to get work experience. We are signing agreements with business to bring new private sector investment into our colleges and universities. We have increased by 20 per cent the amount of money going for student summer employment. We have provided for a youth service corps which will provide employment post–secondary education.

We have substantially increased today's student loan program. We have doubled the loan limit. Today I announced a series of amendments to that program that would enable and allow students to get access to those funds on much easier terms.

• (1425)

We listen to students, respond to them and we want to have debate and dialogue. We do not urge them, as the hon. member has done, to go with barricades and protest when what we really need is a serious debate about something that concerns us all.

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## IMMIGRATION AND REFUGEE BOARD

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, yesterday the minister of immigration spoke in glowing terms about the quality of his recent appointments to the immigration and refugee board.

However, some of these appointments have been high priced advocates of the employees of the immigration industry, people with a vested interest in high immigration and refugee levels and complicated administrative procedures. Coupled with a patronage based appointment system, this creates the potential for continued and systemic conflict of interest.

What if any guidelines are in place to protect the IRB process from conflict of interest on the part of IRB members?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, not only does the IRB have guidelines with respect to its own board members but it also has the Immigration Act concerning which the chair of the board has recommended certain action to me and on which I will render a decision this week.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, I am glad to hear that the board has guidelines.

I would like to follow this up. We are not concerned just about conflict of interest but also whether these guidelines cover influence peddling.

I have a 1992 memo written for Mr. Schelew and other members of the refugee lawyer's association by Greg James in which sitting IRB members are tracked and rated on the basis of the percentage of refugee claims they have accepted. This is the type of raw material required for influence peddling and both Mr. James and Mr. Schelew are now on the board.

What guidelines, if any, are in place to protect the IRB process from influence peddling by immigration insiders?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the Criminal Code of Canada takes care of influence peddling and if you have any information, you should put it to the right authorities.

**The Speaker:** My colleagues, I would remind you to please address your questions and answers to the Chair.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the minister likes dealing in facts. Here are some facts and a question.

The first fact is the minister appointed an illegal immigrant to the IRB. The second fact is the RCMP is investigating influence peddling in immigration. The third fact is the IRB has dissolved into two warring factions based on whether they were Tory patronage appointments or Liberal patronage appointments.

Will the minister face the fact that the IRB is in an absolute mess and order a judicial inquiry into its conduct?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, those are not facts. Those are rumours and innuendo. That is what you are dealing in.

**The Speaker:** I would ask the hon. minister to please address his answer to the Chair.

**Mr. Marchi:** Mr. Speaker, if the member has any information that anyone on the IRB is influence peddling, then the onus is on him to provide our relevant officials under the Criminal Code with such information.

Second, with respect to the allegations of the conduct of one individual, a process is in place. The chair has given me a report. The person in question has been asked to respond and he has.

We are weighing both sets of documents and under due process this week a decision will be rendered. Those are the facts. They are open and I am afraid to disillusion the member but we do not deal in innuendo and slurs or any other empty attacks.

[*Translation*]

## POST–SECONDARY EDUCATION

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the Minister of Human Resources Development insists on trivializing the negative impact his social reform will have on all students in Canada.

He is cutting transfers to the provinces for post–secondary education, while suggesting an option that is likely to increase debt levels among Canadian students.

Does the minister realize that what he is offering Canadian students in his reform package is the prospect of leaving university with an average debt of $50,000 and having to make monthly payments of $600 for ten years, to pay back a debt that thanks to the minister will have increased 100 per cent?

• (1430)

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member accused me of trivializing. I would say, to counter what the hon. member has said, that he has certainly been guilty of seriously misinforming people about what the facts are, more than once. In fact I would say his entire question was based on a totally false premise.

First, we are not cutting the transfers to the provinces. They are being held at the 1993–94 level of about $6.1 billion. That continues. That is not a cut. Because the hon. member is one of the great exponents in the House of provincial rights, he should know that increasingly the transfer is through tax revenues to the provinces. They make decisions about tuition. They decide what the increases will be. They decide what the curriculum will be. They decide what the universities will do.

If the hon. member has any criticism about what is happening in universities, it would seem to me he should turn around and talk to his counterparts in the provinces and ask them why they do not spend the federal transfer money, which accounts for 50 per cent of all funding for universities, effectively on behalf of higher education.

[*Translation*]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the minister knows perfectly well that the presidents of universities and community colleges in Canada intend to double tuition fees very shortly, as a result of the minister's reform package. He cannot deny that.

No government in the past has hit students as hard as the Liberal government intends to do now. There is still time for the government to reverse its decision.

Will the minister make a commitment to the thousands of students standing in front of Parliament that he will withdraw these proposals that would doom students to poverty?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, unlike the hon. member and his colleagues who have from day one taken a totally negative attitude toward any reform at all, we are saying to the students today, as I offered their leaders in the meeting this morning and as I offered student leaders across the country when I met with them: "Let us come together and look at this problem. Let us reform the situation. Let us examine the facts. Let us get the proper things on the table".

[*Translation*]

Let us see what we can achieve by working together to improve the post–secondary education system.

[*English*]

The fact of the matter is that every person in the country except the hon. member in the Bloc Quebecois knows that change or reform is required.

The more we invite our students, our faculty and our administrators to become part of the process of discussion, the better the reform will be, as opposed to the position taken by the hon. member.

**Mrs. Diane Ablonczy (Calgary North, Ref.):** Mr. Speaker, last month in the House the Minister for Human Resources Development said he supports a system of broader, wider grants for students to use as a way of replacing federal transfers to provinces for post–secondary education.

Will the government adopt yet another Reform Party proposal, namely the advanced education voucher system which would transfer greater control from bureaucrats to individual students?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member is a participant in the Standing Committee on Human Resources Development. That committee is now holding hearings across the country and receiving a wide variety of ideas.

If the member has a particular proposal on behalf of her party, certainly I would welcome looking at it as part of the report of the committee. We have an open, democratic, parliamentary process able to enlist all the good ideas and even get some of the bad ones as well.

**Mrs. Diane Ablonczy (Calgary North, Ref.):** Mr. Speaker, Reform has advocated an advanced education voucher system to shift federal transfers for post–secondary education into the hands of those most concerned about educational requirements, the students themselves. This would make educational institutions more responsive to students' needs.

• (1435)

Will the government consider providing Canadians with the choices that such a voucher system would provide?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, as the hon. member knows, when we amended the student loans program last spring we brought into the formula a series of grants available for women to go to graduate programs, a remission of loans program, and the ability of students who have income needs to receive certain assistance.

What we have proposed in the green paper, I want to reiterate, are simply proposals. They are not government policy. We suggest that there could be a combination of loans and grants, in effect a voucher system for individual students that would enable them to tailor their financial requirements according to their needs without the same kinds of complication and means test that now apply to student loans. There could be much easier funding not only for students who are presently in educational institutions but for the many Canadians who are in the workplace now and want to go back to school.

If that is in some way complementary to what the Reform Party is proposing, we would certainly be glad to look at it. However I would suggest the hon. member should introduce those ideas into the committee report because the government will take the report very seriously.

* * *

[*Translation*]

## COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, yesterday the Minister of Intergovernmental Affairs unfortunately dismissed the constructive proposal made by the mayor of Saint–Jean.

According to this proposal, which is more than just a moratorium, the Collège de Saint–Jean would be allowed a period of transition, during which it would gradually be turned into a civilian institution. The mayor's proposal has the advantage of reducing the negative impact that an immediate shutdown of military training activities at the college would otherwise have, if the federal government were to proceed as planned.

How can the minister be so reluctant to be more open–minded and flexible about considering the proposal made by the mayor of Saint–Jean, a proposal that would meet the objectives of all parties while providing for a gradual transition?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the mayor's proposal contains some very useful clauses which I looked at a few hours ago, and I will certainly give them some thought.

However, it is wrong to say that the proposal meets the conditions set by the Government of Quebec and the Government of Canada. From the financial point of view, in particular, the mayor's proposal would mean that the federal government would have to spend an additional $23 million over three years to maintain the moratorium, while at the present time we have a compromise solution reached by the Government of Quebec and the federal government, a solution that ensures the survival of the college, maintains a military presence at the college and provides for the transition from a military college to a co–ed civilian university over the next few years.

The present solution, an agreement signed by the Government of Quebec and the federal government, is a far more successful response to the conditions set by the Government of Quebec and by the federal government. Those who want to—

**The Speaker:** Order. The hon. member for Charlesbourg.

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, I am delighted to see that the Minister of Intergovernmental Affairs is thinking about the proposal, which means we can expect the situation to evolve.

As my supplementary, I would like to ask the minister how he and the Minister of National Defence can repeatedly maintain their excuse that closing the Collège militaire de Saint–Jean will mean a savings of $23 million, when it is public knowledge that the real savings will not be more than $10 million, and that only a few years from now, because of the reduction in the number of cadets?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, this is an exaggeration, to put it mildly. For months we have known that by closing the Collège de Saint–Jean, we would achieve very substantial savings, because due to military downsizing, we will no longer need as many cadets as we did before.

We now have an agreement that provides for maintaining the Collège de Saint–Jean with a military and a civilian component. We have a compromise solution. We reached a compromise and have an agreement that was signed by the Government of Quebec, under which the objectives of both parties can be met.

Those who want to break this agreement are the people who will be responsible for the college being closed.

* * *

• (1440)

[*English*]

## NATIONAL DEFENCE

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, my question is for the Minister of National Defence.

Military police notes from the Shidane Arone murder investigation indicate that the order to abuse Somali prisoners came from senior officers. Now Major Barry Armstrong, a senior medical officer with the unit, has revealed that on April 18, 1993 there was a general order at Belet Huen and he was ordered to destroy evidence, specifically all pictures of Somali patients. Major Armstrong says that some of these pictures still exist.

It has now been a year and a half since these events. Would the minister agree that since there are these continued allegations of cover–up at the highest level these allegations and this evidence should be turned over to a public inquiry?

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I would like to remind the hon. member and members of the House that an inquiry was established by the previous government. However it was suspended once charges were laid against certain individuals.

The judicial process is currently ongoing, the court martials. There is one to go I believe in January or February. After the judicial process is complete I have said publicly that there will be a resumption of the inquiry. The terms of reference for that inquiry will be broad enough to answer any concern raised by members of the opposition about the individual in question who was a military officer and was involved.

With respect to the actual events surrounding the circumstances in Somalia, as I have said they are subject to judicial proceedings at the moment and, as I have said in the House before, it would be inappropriate for me to comment.

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, I have a supplementary question.

There is an additional allegation on March 4, 1993. Major Armstrong performed an autopsy on Mr. Ahmed Affrah Aresh, another unarmed Somali civilian who was shot in the back and killed execution style. No charges were ever laid and I am told there is no investigation proceeding on the matter.

Will the minister agree that this should be investigated? Will he also agree that the whole process of military justice in this case should be submitted to an investigation? We have a corporal alone, sitting in jail, the man who provided the initial evidence for the investigation.

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, on the last point first, the military justice system has been upheld as constitutional by the Supreme Court of Canada.

On the second point with respect to the allegations made in print this morning, there are two police investigations ongoing. If the individual in question has evidence which he has a duty to report as a member of the armed forces, he should make that evidence available to the police authorities undertaking the investigation.

* * *

[*Translation*]

## UNEMPLOYMENT INSURANCE

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development. Wanting to look like Robin Hood, the Minister of Human Resources Development pretends that his reform will attack the wealthy unemployed so that more can be given to the poor, by taking from households earning over $60,000 the right to collect unemployment insurance benefits while requiring them to continue to pay premiums.

Does the minister recognize that his proposed reform of unemployment insurance will force 2.6 million households earning over $60,000 to pay UI premiums without being able to collect benefits?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, again I remind the hon. member that the green paper is simply a series of proposals. There is no program; there is no policy. It is out for discussion. It is out for an important dialogue among Canadians.

When the hon. member speaks about the need to help those who are chronically unemployed, I point out that the whole purpose of the paper is to find ways in which we can get the resources to help those who have been unemployed for long periods of time, to get good literacy programs, to retrain, to help self–employment programs, and to develop a variety of ways to give them a chance to get back to a job. It is a way of trying to turn the safety net into a springboard. It gives an awful lot more opportunity and an awful lot more hope to those who have been unemployed.

That is the purpose of the green paper. It is a purpose that I think the hon. member should endorse.

• (1445)

[*Translation*]

**Mrs. Christiane Gagnon (Québec, BQ):** I wish to ask a supplementary question. Does the minister realize that his reform making family income a condition of eligibility for unemployment insurance will penalize mainly women, reducing them to unacceptable financial dependence on their husbands?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I would ask the hon. member to look more carefully at the technical paper that was presented. I think it does explain.

First, it points out that under the proposal for a two tier system, 70 per cent of those who receive unemployment insurance would not be affected in any kind of way, but those who receive basic insurance would have the same formula attached. It is only those who are basically using unemployment insurance every year.

This is an important difference. What is really happening and has happened is that 40 per cent of UI users are frequent users. That means it is no longer an insurance program. It has become an income benefit program. Perhaps it is very much needed, perhaps it is very much necessary, but it is no longer based on the fundamental insurance principle. It has become an income benefit program. As the hon. member would know, every income benefit program has some test applied to ensure that those who are very wealthy, those who have a lot of money, do not use the system as it is not supposed to be used.

That is simply the proposal to which we are asking Canadians to respond. I will welcome the hon. member's response to that question.

* * *

[*Translation*]

## POST–SECONDARY EDUCATION

**Mr. Martin Cauchon (Outremont, Lib.):** Mr. Speaker, my question is for the Minister of Human Resources Development. All kinds of false rumours are circulating about social program reform and about the green book which, by the way, is a discussion paper. Some say that the federal government wants to cut up to $2.3 billion in contributions to post–secondary education. Some even claim that the federal government wants to centralize student loan programs.

Can the Minister of Human Resources Development set the record straight on this?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, it is certainly true that false rumours are circulating, particularly in publications by the members opposite, about the changes we will make to the post–secondary education system.

First of all, we do not want to cut federal assistance; we want to invest it. As I said earlier, if the status quo was maintained, $61 billion would be spent on education. But, if the federal proposals are adopted, the combination of transfers, taxes and loans would produce $70 billion for this period, or an additional $10 billion for the education fund in Canada.

* * *

[*English*]

## PRIVATE MEDICAL CLINICS

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, the health minister has challenged Alberta private medical clinics to a showdown at high noon. Alberta's health minister has given me the authority to refute these allegations. Where would the minister suggest we have this debate?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, this is a very serious issue. I have expressed my concern on numerous occasions. There is no quick solution as the Reform Party would have us believe.

I have been systematically working over this past year to address some of the very serious issues to ensure that Canadians get the kind of care they need when they need it and that we do not create a system that benefits the healthy and wealthy at the expense of the sick and the average Canadian.

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, I suggest we have this discussion outside in the lobby today. Too busy? Let's do it on "Newsworld". Not ready? Let us debate this in the minister's office with all her bureaucrats—

**Some hon. members:** Oh, oh.

• (1450)

**The Speaker:** It is a good thing we left our guns at the door today. The hon. member for Macleod, his question please.

**Mr. Hill (Macleod):** The straightforward question is this: Is this health minister afraid to debate me on the issue of private medical clinics?

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, I have been talking about health in this House for a year. I am certainly not afraid to talk about health to anyone in our country.

I know exactly where the members of the Reform Party are coming from. It is not the policy of this government, nor is it the policy of this minister.

[*Translation*]

## FISHERIES

**Mr. Yvan Bernier (Gaspé, BQ):** Mr. Speaker, at the federal–provincial conference of fisheries ministers held in Victoria on November 1, the government of Quebec formally requested jurisdiction over fisheries management. You will recall that, in 1983, the Liberal government had unilaterally decided to centralize fisheries management in Ottawa.

Can the Minister of Fisheries tell us whether or not he intends to make changes to administrative jurisdictions with regard to Canadian fisheries? And, if so, does he intend to do so along the lines of what Quebec is asking for?

[*English*]

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I thank the member for his question. Indeed, several governments in Canada in recent weeks and months have expressed an interest in greater responsibility in the area of the administration of the health of the fisheries.

Among those is the Government of Quebec, which made its position clear at a meeting of federal and provincial ministers in Victoria a few weeks ago. The Government of Newfoundland and Labrador expressed an interest in fisheries management in a proposal it calls joint management. The Government of British Columbia expressed an interest in seeing licensing and allocation boards established in the province of British Columbia.

It is good to see that the new Government of Quebec, and on this I congratulate it sincerely, and I have congratulated the minister who is in tune with his fellow colleagues, understands the need to build efficiencies in this country given our fiscal restraint, to find ways to avoid duplication and overlap and to have better administration of fisheries policies by working together, all 10 provinces and the national government.

[*Translation*]

**Mr. Yvan Bernier (Gaspé, BQ):** Mr. Speaker, I thought I had put my question clearly, but I am not sure that the answer I got was clear.

Here is my question: Does the minister intend to reorganize fisheries management in Canada? Information was leaked to the *Globe and Mail* three weeks ago to the effect that cuts would be made. Quebec has come up with a proposal.

I would like to know if the minister is planning to make changes to fisheries management. If so, will these changes be in keeping with Quebec demands?

[*English*]

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I certainly intend working with my colleague, with others in the House interested in fisheries matters and with all of the provinces to respond very directly to reorganizing the fishery. The bottom line is that we look after the resource for conservation and for enforcement. That means sharing greater roles and responsibilities with all of the provinces, including the province of Quebec. I am quite open and willing to take a look at it.

The member is asking me whether or not the proposal of any one province is going to be accepted in its total form without amendment or without discussion. That is not the nature of federalism. Federalism is based on mutual respect, mutual interest, dialogue and discussion.

I look forward to continued good dialogue and discussion with all of the provinces, including Quebec.

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## ALAN EAGLESON

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, in March of this year the House was informed that the RCMP was involved in an ongoing investigation into the activities of Hockey Canada and Mr. Alan Eagleson.

Since then a U.S. grand jury has brought down a 34 point indictment and the Law Society of Upper Canada a 41 point complaint against Mr. Eagleson.

The RCMP in this time has not even contacted the primary source of information to the FBI and the Law Society of Upper Canada, Mr. Russ Conway of Lawrence, Massachusetts.

• (1455)

My question is for the Solicitor General. Why has the RCMP not even interviewed Mr. Conway and why is the RCMP not pursuing this investigation with vigour and commitment?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, it is not customary for a Solicitor General to comment on ongoing investigations. However, I can confirm that the investigation continues. I am sure it will be carried out with the professionalism that we associate with the RCMP.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, the House has been hearing the same answer to that exact question from this Solicitor General and previous Solicitors General since 1992.

There is a concern that the minute U.S. authorities request extradition the RCMP will lay a charge of jaywalking or some

other charge to prevent or preclude the extradition of Mr. Eagleson to face United States authorities.

When American authorities request the extradition of Mr. Eagleson to face charges in the United States for racketeering and embezzlement, will the minister allow those proceedings to have priority over any charges laid by the RCMP subsequent to an extradition request?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, the hon. member makes an interesting point and it is that the U.S. authorities have not yet sought the extradition of Mr. Eagleson. If and when they do this matter will be for the Minister of Justice to deal with, not the Solicitor General.

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## INGLIS LIMITED

**Mr. Janko Peric (Cambridge, Lib.):** Mr. Speaker, my question is for the Minister of Industry.

Yesterday I was advised by a representative of Inglis Limited that its parent company, Whirlpool Corporation, will be closing its manufacturing facility in my riding of Cambridge.

Given that my riding has had both very good and very bad news in the course of one week, does the minister have any words of advice for those workers at Inglis who will be losing their jobs and of course for my people in Cambridge?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, it is regrettable that Inglis has decided to close its facility in Cambridge, Ontario. It is a loss of jobs. It represents a restructuring that is occurring within that corporation as it moves its production to its main plant.

The good news of course is that in the last week or so Toyota Corporation announced that it would be investing $600 million in a major expansion to its facility in Cambridge, Ontario, creating 1,200 long term jobs in the community.

I think that represents not only a very important endorsement by one of the world's major corporations of Canadian competitiveness but it is also a clear win for Canadian workers in the auto sector who have proven that they can be productive and competitive and that they can make automobiles as good as anyone else in the world.

* * *

[*Translation*]

## IMMIGRATION

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

After pressure was exerted by the Official Opposition, the review of appointments to the IRB has shown that the minister is continuing the same system of patronage as the former government. The only difference is that now the open conflict between the various factions is further undermining the board's credibility.

Following the resignation of the executive director and the indefinite suspension of the vice–chairman, when will the minister restore some order to the board?

[*English*]

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I think it would be very unfair to simply take the one person under question this week and draw the conclusion that every one of the IRB members, all 211, are going to be painted by the same brush.

Instead we should recognize that it is an important federal institution. We should be seeking reforms and modifications on how we can build up the institution and not seek to politically exploit the difficulty and tear it down.

It would be unfair to simply say that the appointment process is one that was there years ago.

• (1500)

We have gazetted all the appointments, all of them are evaluated under the same standard by the IRB. I think we should continue to seek reforms. We have put some reform proposals before the agency and program review. If the hon. member has additional recommendations we would be more than pleased to entertain them.

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## GOVERNMENT EXPENDITURES

**Mr. Charlie Penson (Peace River, Ref.):** Mr. Speaker, the Minister of Industry will be aware that the government's competition bureau has finished its investigation of the defence department and the way it contracts household moves. The competition bureau has now directed the defence department to open up the bidding process beyond the four big van lines.

Will the minister make public a summary of the report so that parties who want to bid on future projects will know what the new rules are for bidding on household moves?

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, the director of investigation and research under the Competition Act, as the member indicates, has provided advice to the interdepartmental committee which is responsible for government moves. He has also indicated that from his point of view he is satisfied that letter of advice can be made public.

* * *

## CHINA

**Mr. Svend J. Robinson (Burnaby—Kingsway, NDP):** Mr. Speaker, my question is for the Secretary of State for Latin America and Africa.

Last week the Prime Minister announced in China his support for the Three Gorges dam and the sale of Candu reactors to China. In view of the strong opposition by this minister and other Liberals to Canadian involvement in Three Gorges, described as an economic, social and environmental disaster, and in view of China's continued nuclear testing and dumping of waste in Tibet, how can the secretary of state justify this massive betrayal of the Liberal government's earlier promises on Three Gorges and Candu reactor sales?

**Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.):** Mr. Speaker, our Prime Minister was in China and did speak of the Three Gorges dam project with the president of China. China has decided to go ahead with the development of the Three Gorges dam project despite what any of our views were with regard to environmental and human rights issues. We will remain concerned about those issues whether they are in China or anywhere else we are involved.

However, the Chinese government is asking for Canadian co–operation in the development and we hope that in providing our management and technical expertise we can have an influence on those potential negative impacts.

I think it is also important to recognize that the Yangtze River is a very important resource to China and it poses both a threat and an opportunity. The river has caused thousands of deaths but there is great potential in that river for electrical energy formation and the possibility of navigating, allowing ships to get to interior cities, which is important.

* * *

[*Translation*]

## POINT OF ORDER

REVIEW OF CANADIAN FOREIGN POLICY

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, this point of order follows the tabling in the House yesterday of two documents by one of the co–chairmen of the Special Joint Committee reviewing Canada's foreign policy, the hon. member for Ottawa—Vanier.

The first document includes the report of the committee and is signed by the two co–chairmen. The second document includes the dissenting opinions and the appendices to the report. For several reasons, we feel that to include dissenting opinions in a document separate from the report signed by the co–chairmen of the committee goes against the parliamentary rules governing the committee and this House.

First, we want to point out that Standing Order 108.(1)(*a*) allows committees to report on issues submitted to them. That provision, which is on page 63 of the Standing Orders of the House of Commons, also authorizes committees, and I quote:



—to print a brief appendix to any report, after the signature of the Chairman, containing such opinions or recommendations, dissenting from the report or supplementary to it, as may be proposed by committee members.

The decision to annex such a statement must be made by way of a motion concurred in by committee members. As confirmed in the minutes of the committee included in the second document tabled yesterday, such a motion was agreed to at the hearing which took place on the evening of November 2, 1994.

• (1505)

The text of the motion, which is found on page 102 of the second document, reads as follows: "On motion of Bill Graham, it was agreed,— That the Bloc Quebecois, the Reform Party and other members of the Committee, be authorized to append to the report their dissenting or supplementary opinions or recommendations, such opinions or recommendations shall be in the discretion of the dissenting members themselves relevant and proportionate to the length of the report".

Mr. Speaker, we respectfully submit that the documents tabled yesterday do not comply with the terms of Standing Order 108(1)(*a*), since the dissenting opinions are not presented after the signatures of the joint chairs, which are found at the end of the report in the first document. On the contrary, this statement is in the second document, separate from the first, which contains the report of the committee signed by the joint chairs.

The dissenting opinions are in no case appended to the report as required by Standing Order 108(1)(*a*) and the motion adopted by the committee on November 2, 1994. Some might be inclined to say that the dissenting opinions follow the joint chairs' signatures in the second document, which is part of the committee's report.

Mr. Speaker, we cannot support such a claim because we think that such a procedure is contrary to the spirit, if not the letter, of Standing Order 108(1)(*a*). Indeed, what is the point of appending the dissenting opinions of certain members to the committee report, if not to let readers of the report judge the validity of the opinions and recommendations that it contains by comparing them with those of the dissenting members?

The most basic logic requires that these dissenting opinions follow in the same document. At no time should someone be able to refer to this report without immediately having the recommendations of the minority report included therein. That is why Standing Order 108(1)(*a*) requires appending the dissenting opinions to the report, following the signature of the two joint chairs; otherwise such a statement is quite useless.

Economic or practical reasons cannot be invoked to justify tabling two separate documents in the House, since this was not founded on a committee decision. The committee must adopt a motion consistent with parliamentary rules for the committee

report and the statement of dissident opinions to be divided into two documents.

According to citation 552 in Beauchesne, every matter is determined in the House of Commons upon a question put by the Speaker on a proposition submitted by a member. Since Standing Order 116 provides that a committee must obey House procedural rules, the committee should, in accordance with parliamentary rules, adopt a motion to publish the dissident report as a separate document, if it decides to do so for economic or practical reasons.

The motion adopted by the committee on November 2, 1994, which authorizes Bloc members on the committee to append their dissident opinions to the report, does not provide in any way for the report to be split into two documents. In fact, the committee minutes reproduced in the second document do not reflect such a decision.

Therefore, it cannot be argued that the committee had full discretion to include dissident opinions in a second document. Again, such a decision should have been the subject of a motion duly adopted by the committee, but the minutes do not contain such a motion.

In conclusion, Mr. Speaker, for these reasons, we respectfully submit to you that tabling the report and the statement of dissident opinions in two separate documents, as was done yesterday, goes against the rules of parliamentary procedure governing the House of Commons and the committee.

Parliamentary jurisprudence clearly establishes that the Chair is free to rule on a report's admissibility at any time after the report is tabled. Indeed, citation 893 in Beauchesne, on page 244, says this: "A committee report may be ruled out of order even though it has been received by the House, and a motion to concur therein cannot then be entertained".

• (1510)

On January 28, 1991, the Chair ruled, on page 2824 of *Hansard*, that part of a report previously tabled in the House was inadmissible and even null and void. Therefore, we urge you, Mr. Speaker, to exercise the powers invested in you and rule out of order the reports tabled yesterday in the House by one of the committee joint chairmen, to order that the report of the Special Joint Committee Reviewing Canada's Foreign Policy be reprinted so that the dissident opinions appear after the joint chairmen's signatures within a single document, in accordance with the parliamentary rules governing the House and the committee, and finally to order that the reprinted report be tabled as soon as possible.

**Mr. Jean–Robert Gauthier (Ottawa—Vanier, Lib.):** Mr. Speaker, as a co–chairman of the committee which has now been dissolved—still, I feel a responsibility—I would like to explain why the co–chairman from the Senate and myself decided to produce the report in two separate volumes. This was one single report which was tabled only in this House and the other place, and not two separate reports.

The committee report, dissenting opinions, appendices, position papers, documents and summaries added up to a total of 1,126 pages. This was rather bulky. So, some thinking was required. We sought advice and gave the matter some thought and, finally, decided to publish the report in two volumes, both of which were put in a white folder marked "Committee Report". This is how it was tabled in this House and distributed to the media.

We would have liked the printer to tie them together with something like this to make things easier, but time was short and it would have been too costly. The point is taken, but it is not really fair to say that there are two reports. There is only one report. It was decided to produce the report in two volumes. The first volume is 181 pages long and contains the majority report, while the second volume, with 202 pages, contains the dissenting opinions of the Bloc Quebecois and the Reform Party as well as the appendices.

In addition, we have put together in another volume the 250 pages of position papers prepared by experts, experts recognized by the committee that is. A 483–page summary was also made available in loose–leaf format to limit costs. It can be obtained on request. Since it was impossible to tie the volumes with a plastic or paper tape because the printing deadlines were too short, the two volumes that make up the report were distributed yesterday, as I indicated earlier, in a specially designed folder marked "Report of the Special Joint Committee Reviewing Canadian Foreign Policy".

Positions papers and summaries on the other hand are distributed on request. The index of Volume I indicates very clearly that the report has two volumes and lists the contents of Volume II. This is clear proof that the dissention opinions are part and parcel of the committee report. The Bloc should see in this format nothing more that an effort on the part of both co–chairmen to provide the readers with practical and easy to handle documents.

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, it is clear that none of the parties in this House have tried to do anything to offend members who today, apparently, feel they have been treated unfairly. That was not the case, it was not our purpose, and that is not what happened.

Furthermore, without wishing to get into a debate with hon. members opposite, it is obvious that both volumes are part of one and the same report.

• (1515)

Mr. Speaker, as you know, it is perfectly clear from the Standing Orders that if there was only one tabling, of course there was only one report.

[*English*]

Reading from page two of volume one it says: "Volume two contains dissenting opinions, appendices, minutes of proceedings". In other words, Mr. Speaker, when you read the first volume there is reference to the second volume, both of them being part of one report as the hon. member for Ottawa—Vanier has described.

On behalf of my colleagues I have offered, and I wish to state this to Mr. Speaker, that in the event there is a reprint or printing of additional copies should members require additional copies for the House, the committee, or indeed for anyone for distribution purposes, I would not object to having both reports joined in one volume, if that is manageable for those who print these kinds of documents.

I would not of course advocate that we destroy the copies that have been printed. As I said previously, nothing wrong was intended and nothing wrong was committed. Therefore there would be no reason to redo the present copies. However, if it would please members across the way I would certainly have no objection should further printings of the report be necessary to join both volumes together.

[*Translation*]

Some say it may be too late. No, it is not too late, although there is nothing wrong with the reports we have here. All I want to say to hon. members opposite is, that if it makes them feel better, if that would satisfy them, we are prepared to co–operate in the event additional copies are needed. It is not too late. There was no malicious intent, and there was no harm done.

Actually, if I am not mistaken, according to informal discussions held yesterday, two of the three parties in this House agreed to keep the report as is.

[*English*]

Finally, in the unlikely event there would still be someone who mistakenly believed these two volumes constituted two reports, the committee chair went out of his way over the weekend to have a special jacket printed. Both volumes are contained inside the one jacket so that no one could possibly even inadvertently consider these two volumes as being two reports.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, speaking to this point of order I concur with my colleague from the Bloc that this report was not handled or distributed properly.

There are two volumes but there is nothing on the outside of either of the volumes to indicate which is number one and which is number two. You have to look into the contents to find that there is a second volume. Even at that you would have a difficult time knowing whether it was volume one or volume two.

Being concerned about the cost of a complete reprinting of this I would suggest that those copies that have not yet been distributed should be clearly labelled with a stamp or a sticker indicating volume one and that volume two is available with the dissenting reports in it.

It is important to make it very clear to all readers of the report who happen to get volume one that there were two dissenting reports, one by the Bloc Quebecois and one by the Reform Party. If it is not handled properly, the Canadian public and those who receive volume one may never know other options were put on the table.

[*Translation*]

**Mr. Gauthier (Roberval):** Mr. Speaker, on the same point of order. Perhaps I may provide some additional clarification. It is clear that the procedure was somewhat less than satisfactory. Considering the size of the report, the committee could have put everything together in a document of about 400 pages, which is common practice, or it could have published a complete report in French and complete English version. That would have been fair to everyone.

It seems to me that the reasons invoked by the government party were entirely unacceptable and the government also failed to prove that the Standing Orders had been observed in this case.

• (1520)

I was able to demonstrate, however, that the Standing Orders had been totally ignored, that the report did not meet the requirements of the Standing Orders and that, if the chairman of the committee had wanted to show he was acting in good faith, he could have called a meeting of his committee and put to a vote the requisite proposals for proceeding the way he did.

Consequently, I would ask you to hand down a ruling on the matter as requested earlier.

[*English*]

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I think the remarks made by the chief government whip and by the member for Ottawa—Vanier ought to be more than sufficient to put this matter to rest.

They indicate very clearly that while there may be a complaint there is not any basis for a point of order or indeed a question of privilege arising out of the publication of a report in two volumes. I think it is commonplace that reports are published in more than one volume. Here we have a report that with the appendices comes to five volumes as I count them. That is what is available from distribution if members ask.

There is one further technical point I invite Your Honour to consider in reviewing this matter. Standing Order 108(1) which permits dissenting opinions and which was a change in the standing orders made during the last Parliament largely at the behest of members of this party applies only to standing committees.

This is the report of a special joint committee. The fact there was a dissenting opinion was thanks to the good graces of the hon. member for Ottawa—Vanier and the members of the committee who agreed to apply this rule to the special joint committee because it would not otherwise apply.

The changes to the standing orders were made in respect only of standing committees. It has never been applied beyond that. This was a special benefit, if you like, conferred by the generous hon. member for Ottawa—Vanier and his co–chair of the special joint committee.

I am surprised there would be complaints today when we have very lengthy dissenting opinions. I may say that the dissenting opinions as I see it are almost as long as the report. Here we have a second volume that is thicker than the report itself.

I am not surprised that the report has been divided into two volumes. I think a satisfactory explanation as to why that was done has been given both by the chief government whip in his very able argument and by the hon. member for Ottawa—Vanier.

[*Translation*]

**The Speaker:** I wish to thank the hon. member for Roberval for raising this matter.

[*English*]

I also thank my hon. friend from Ottawa—Vanier, the government whip and of course the parliamentary secretary, as well as the House leader for the Reform Party. I am sure that you will all agree to give your Speaker some time to review everything that has been put in front of me. If it is deemed necessary I will come back to the House with a decision.

I will review all of the information that has been supplied to me. I will inform myself also of the rules. With your permission I will get back to the House if it is necessary as soon as possible.

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# ROUTINE PROCEEDINGS

[*English*]

## ORDER IN COUNCIL APPOINTMENTS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour 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.

[*Translation*]

## GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[*English*]

## 40TH COMMONWEALTH PARLIAMENTARY CONFERENCE

**Mr. Bob Speller (Haldimand—Norfolk, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, to the House a report concerning the 40th Commonwealth Parliamentary Conference which was held in Banff, Alberta, October 4 to 18, 1994.

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• (1525)

## COMMITTEES OF THE HOUSE

### JUSTICE AND LEGAL AFFAIRS

**Mrs. Sue Barnes (London West, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Justice and Legal Affairs.

Pursuant to Standing Order 108(2), your committee has considered the documents entitled: "Draft Amendments to the Criminal Code and the Customs Tariff, Crime Cards and Board Games" and your committee has agreed to report it with three recommendations.

The study was prompted by concerns about the glorification of violence through the format of a board game and trading cards depicting serial killers. Many petitions were received in the House.

The committee studied draft legislation. The committee now recommends a broader scope dealing with the glorification or exploitation of horror, cruelty and violence through expanded obscenity provisions of the Criminal Code as a more inclusive legislative effort. Also suggested were the utilization of a preamble together with appropriate safeguards and special defences.

[*Translation*]

**Mrs. Pierrette Venne (Saint–Hubert, BQ):** Mr. Speaker, in a dissenting opinion to the report of the Standing Committee on Justice and Legal Affairs, the Bloc Quebecois points out that the exploitation of violence cannot fail to be of concern to all of us. There is no doubt that trade cards and board games (black series) fly in the face of our fundamental values and shamefully defile the memory of the battered and murdered victims.

Witnesses indicated that they had been unable to have a look at these board games and serial killer cards until the committee gave them samples. The same was true of most MPs who opposed importing and manufacturing serial killer cards. They acknowledged they had never seen any.

Therefore, one must wonder how such a marginal issue could keep committee members occupied for several months. Obviously, this is not very responsible.

We firmly believe that this committee should deal more with issues related to real violence rather than hypothetical violence due to the action of some shady publishers.

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## ACT TO REVOKE THE CONVICTION OF LOUIS DAVID RIEL

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ)** moved for leave to introduce Bill C–288, an Act to revoke the conviction of Louis David Riel.

She said: Mr. Speaker, 109 years ago today, Louis David Riel was hanged. On November 22, 1885, in reaction to his execution, a crowd of close to 50,000 people gathered on the Champ–de–Mars in Montreal and heard Honoré Mercier speak his now famous words of tribute.

Today, I am tabling a bill entitled "An Act to revoke the conviction of Louis David Riel". Some facts are worth recalling. In order to ensure a unanimous verdict, Prime Minister Macdonald had Riel tried in Regina rather than in Winnipeg. The jury was composed exclusively of English–speaking Protestants. In order to justify its actions, the Cabinet, in a report to the House, went so far as to falsify Dr. Valade's report, which stated that Riel was not responsible, by reason of insanity.

The trial was marred by irregularities and Riel was sacrificed by Macdonald to the powerful Ontario lobby. Riel was hanged because he was a Métis, because he was a francophone, and because he went to the defence of a distinct society.

It is important to remember—

**The Deputy Speaker:** I hope that the hon. member and indeed all hon. members will respect the Standing Orders and keep it brief. Otherwise, we will be here all afternoon. One more sentence.

**Mrs. Tremblay (Rimouski—Témiscouata):** A refusal to acknowledge it is a refusal to understand the present and a refusal to build a future.

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



• (1530)

[*English*]

## PETITIONS

### ETHANOL

**Mr. Rex Crawford (Kent, Lib.):** Mr. Speaker, I have three petitions today. The first petition pursuant to Standing Order 36 is on behalf of my constituents who call on our government to say the same thing in power that we said while in opposition, namely that we support a world class domestic ethanol industry that is renewable, sustainable and environmentally friendly, creating jobs and helping our rural areas.

A $200 million dollar ethanol plant in Chatham awaits a federal decision of support. It would be 20 times larger than any other plant now in Canada.

### ABORTION

**Mr. Rex Crawford (Kent, Lib.):** Mr. Speaker, the second petition from my constituents states that human life at the preborn stage is not protected in Canadian society. Your petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

My last petition from the constituents of Kent states that whereas human life at the preborn stage is not protected in Canadian society, your petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human human beings to unborn human beings.

### HUMAN RIGHTS

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, I have three petitions to be presented under Standing Order 36 from my constituents in Egmont.

The first one is on sexual orientation and the petitioners pray and request that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

### EUTHANASIA

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, the second petition is with regard to euthanasia. The petitioners request that Parliament ensure the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or passive or active euthanasia.

ABORTION

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, in the last petition the petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

JUSTICE

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I am pleased to present the following petition which comes from all across Canada and contains 2,340 signatures. It is quite a fat document.

The undersigned request that in memory of Dawn Shaw, a 6–year old girl who was murdered in my riding of Comox—Alberni, this petition be brought to the attention of Parliament.

The petitioners request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to assure conviction of offenders.

ASSISTED SUICIDE

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I am honoured to present a petition on behalf of 51 Albertans, many of whom are my constituents.

These petitioners request that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

Am I pleased not only to present this petition but to endorse it as well.

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, I have three petitions today. The first petition contains 61 signatures from citizens and residents of the town of Frankfurt, Ontario.

● (1535)

They pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

CRTC

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, the second petition is from the same community concerning what is being shown on television.

The undersigned pray and call on Parliament to ensure that the CRTC recognizes that Canadians do not need to be shocked to be entertained. Foul language, excessive violence and explicit sex are not necessary to provide quality entertainment.

ABORTION

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, the third petition is from Lanark and Perth, Ontario. The petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

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## QUESTIONS ON THE ORDER PAPER

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

**The Deputy Speaker:** Shall all questions stand?

**Some hon. members:** Agreed.

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## MOTIONS FOR PAPERS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I would ask that the notice of motion for the production of papers be allowed to stand.

**The Deputy Speaker:** Shall the notice of motion for the production of papers be allowed to stand?

**Some hon. members:** Agreed.

* * *

[*Translation*]

## THE LATE HON. EUGÈNE MARQUIS

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, it is with sadness yet with serenity that we learned yesterday of the passing of the Hon. Eugène Marquis, who represented the riding of Kamouraska in this House at one time.

Mr. Marquis was born in St. Alexandre, Kamouraska, in 1901. He was the son of Joseph Marquis and Eveline Michaud. Upon completion of his classical studies, Eugène Marquis received his law degree from Laval University. Upon being admitted to the Bar, he was appointed susbstitute to the Attorney General of Quebec.

In 1931, Eugène Marquis married Véronique Chabot —who happens to be my aunt as she is my mother's sister— in Ste. Claire de Dorchester. Destined for politics, he ran in the 1945 general elections as a candidate for the Liberal Party of Canada, when the Right Hon. William Lyon Mackenzie King was Prime Minister of the country, and the voters of Kamouraska put their trust in him. They did so again in the next election, in 1949, when the Right Hon. Louis Saint–Laurent was Prime Minister of Canada.

On August 24, 1949, on the recommendation of the Prime Minister of Canada, the Hon. Eugène Marquis was appointed to the Superior Court of Quebec, of which he would eventually become the associate chief justice.

Mr. Marquis's legal career spanned both criminal and civil law, and whether on the bench or in private practice, whether representing the State or the Attorney General, his great humanity was recognized by all.

I have the honour of having four parishes in common with Mr. Marquis, parishes that were in his riding when he was a member of Parliament and have now become part of the riding of Bellechasse: Saint–Damase–des–Aulnaies, Tourville, Sainte–Perpétue and Saint–Omer. Eugène Marquis was also an active member of the Knights of Columbus, making a valuable contribution to the furtherance of this organization's social mission.

To his children, Monique, Louise, Yves, Michel and Jean, I offer my deepest sympathy, as well as to his colleagues from the Barreau du Québec and all those who worked with him in the judicial system in Quebec and Canada.

• (1540)

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I too would like to express the sorrow of members in our party on the death of Mr. Marquis. I do know that the hon. member for Bellechasse is that gentleman's nephew. I am sorry for him, his family and the family of the deceased that this event happened today. I extend to the hon. member all the respect which members of this House have for former members and that certainly applies to this member for Kamouraska who served his country well a long time ago. I offer the sincere condolences of all members on this side of the House to his family.

[*English*]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I would like to rise on behalf of my colleagues in the Reform caucus to also express our sympathies to the family on the passing of a former member of the House of Commons, Mr. Eugene Marquis.

Although no one from our caucus has known him, I do know that Mr. Marquis was a farmer and those of us who are farmers share a kindred spirit. We do express our sympathies on behalf of our caucus to the members of his family. We also know that he was committed to Canada, a strong united Canada, before we perhaps got entangled in some of the more recent concerns in Canadian history. We all salute the former member for his contribution to the country and his commitment to it.

[*Translation*]

**The Deputy Speaker:** I too would like to convey my deepest sympathy to the family of one of our former colleagues.

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# GOVERNMENT ORDERS

[*English*]

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from November 15 consideration of the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read the second time and referred to a committee.

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, it is a pleasure for me to resume debate on Bill C–53, an act to establish the Department of Canadian Heritage.

Although the proposed legislation will officially establish in law this new department, more than a year has gone by since the department was formed from the components of no less than five different federal departments. This exercise we are going through is part of this government's effort to streamline the way the federal system is organized.

That interim period between the practical establishment of the new department and the present regulatory establishment of it has, to say the least, proved to be very interesting and challenging not only for the new department but for the government and for the entire country.

The different sectors of Canadian heritage have had to get used to their new organizational relationships. In many cases this has meant breaking established links with their former organizations and forming new ones with the various entities brought together to create the new Department of Canadian Heritage.

To take one example which interests me, let us look at Parks Canada. Formally a part of Environment Canada, Parks Canada is now a vital and active member of the new ministry. Parks Canada is the steward of our national parks and our national historic sites which collectively represent some of our most precious natural and cultural heritage resources.

Some have questioned the move of parks to Canadian Heritage. In my view it makes good sense to have the program of Parks Canada housed in a department devoted to our heritage.

• (1545 )

The historic sites and national parks are tangible expressions of our culture and the geographical realities that have helped to instil in Canadians a unique perspective on the natural environment.

It seems to me there is a special relationship between Canadians, aboriginal Canadians and immigrant Canadians, and the environment. This is expressed through Parks Canada and so it is part of our heritage.

In listening to various speakers regarding this bill, both those on the government side and colleagues in other parties, what has struck me is the fundamental nature of feelings that have been expressed. Truly this new department, the Department of Canadian Heritage, has responsibility for areas that strike a deep and resonant chord in all Canadians.

The Department of Canadian Heritage—I must admit it is a new name, but a new name that I like—is a department that is concerned about all those things that make us what we are, those things that set us apart in the global community. Anyone who takes the time cannot fail to be impressed by the range and diversity of the new department's program areas.

I do not intend to list each of these areas of endeavour, but I do want to note some of the major sectors for the benefit of those who have been following this debate. I have already mentioned Parks Canada. In addition the new department has responsibility for the arts, broadcasting, heritage conservation, cultural industries including film, video, sound recording and book publishing.

It is also responsible for the federal programs dedicated to the promotion of official languages; the pursuit of excellence in amateur sport, Mr. Speaker, which interests you and me greatly; the promotion of our cultural diversity and the encouragement of the full and open participation of every Canadian in society.

In short, the Department of Canadian Heritage is active in areas that have as their common objective the promotion of Canadian identity. I think everyone listening to this can relate to one or another of those areas of interest which this new department has that I have mentioned. In my riding of Peterborough, and I have only been a member of Parliament for a short time, I have already had personal discussions with constituents about virtually every one of those areas of heritage activity that I have mentioned.

As one can see from the proposed legislation we are discussing here, this bill will give sanction to a federal department that has programs that touch each and every Canadian. The department is a rich amalgam of sectors. Indeed I believe that the Minister of Canadian Heritage has the privilege to direct one of the government's most exciting and challenging new portfolios.

The word heritage means different things to different people. To me one thing is clear. Particularly this year at this particular time in this House one thing is clear: Our heritage matters and the department dedicated to it are necessarily of great importance at this time, at any time, to this country. I have no doubt whatever that the new Department of Canadian Heritage will prove to be an able and vital player in the federal arena as it goes about carrying out the responsibilities conferred upon it by Parliament.

Although the bill before us says a technical purpose, confirming as it does the creation of the department in statute, to me it nonetheless represents a far–sighted and enlightened step on the part of the government, a step that will benefit our children and for which I think they will thank us. In my view this department will help ensure that Canada remains a country that others will look to as an example, a nation built on its aboriginal foundations that is confident enough in its identity to embrace the peoples of the world, not only accepting their cultural differences, but welcoming and acknowledging them for what they are, living examples of human expression that link us to the past, link us to the rest of the world and provide us with the foundation and certainty necessary to face the future with confidence.

• (1550)

I have taken note of concerns expressed by some members about the rationale for placing responsibility for broadcasting within Canadian heritage while the telecommunications policy will reside in the new Department of Industry. These members pretend to worry about whether the government will be hamstrung by this arrangement and therefore be incapable of action in these two vital fields. I can only say the truth is far from that.

Canadians can be assured that both departments are co–operating, teaming their efforts and finding innovative and effective ways to satisfy their respective mandates.

We need look no further than the recent joint announcement of my colleagues the Minister of Canadian Heritage and the Minister of Industry regarding the government's request to the Canadian Radio–Television and Telecommunications Commission, the CRTC, to seek input and report on a number of regulatory and policy matters relevant to the development of the information highway.

Both ministers recognize that the interests of all parties, consumers, business, creators, in short everyone, will best be served by an open and transparent information gathering process.

Accordingly the government has asked the CRTC to consider such issues as the regulations in new services, the contributions to the objectives of the broadcasting act that these new services would be required to make, and the transition to fair competition between the various players on the information highway, particularly the cable television and telephone companies.

It is all too easy to sit and wring our hands and worry that the two departments will not be able to deliver on their mandates. Those that do so have their blinders on and refuse to see what can be done or accomplished if the will and effort are there.

We have heard many speakers on this bill talk about the dawning of the so–called information age and what that will mean for you and me today and for our children tomorrow. Although no one can be sure about the future we can all be certain that adaptations will be the prerequisite for success.

With respect to the future viability of our cultural sector this government is committed to ensuring that Canadian content services have a strong visible and audible presence on the information highway.

For me, debate at second reading has proved both interesting and telling in this matter, interesting because of the breadth and scope of the issues discussed and telling because it has pointed out the fundamental differences in the perspectives of this government and members of the opposition parties.

The negativism expressed by those in opposition to this bill is in stark contrast to the confidence shown by the government in tabling this legislation and in the various pieces of legislation that will establish the other large new departments.

Never has our national heritage and its expression been more important than at the present time. The government's actions in this regard are founded on a sense of optimism for the future, yes, optimism in continuing ingenuity, skill, and energy of our fellow Canadians toward ensuring a thriving and prosperous future for this country.

I want to assure each and every Canadian that they have an elected government that is committed to serving them in the most effective, efficient way possible.

Mr. Speaker, I want to thank you for giving me this time and I look forward to early passage of this legislation.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, I rise today to speak again to Bill C–53 which establishes the Department of Canadian Heritage. In my first address to the House on this bill I discussed the issues of multiculturalism and copyright. Today I wish to address the issue of the national parks system. Yes, these inherently different areas all fall within the responsibility and jurisdiction of Canadian heritage.

• (1555)

I continue to be puzzled as to why Parks Canada is now part of the Department of Canadian Heritage. While it is very true that our national parks provide educational opportunities to all Canadians to learn about Canadian history and culture, our 36 national parks and national park reserves across the country seem to me to have greater environmental importance. Prior to the introduction of this bill by the previous government, Parks Canada had been part of the Department of the Environment.

Parks Canada states in its "Guiding Principles and Operational Policy" that it contributes to "an understanding and collective sense of Canada's identity as well as a shared sense of pride. We celebrate this rich heritage through national historic sites, national parks and park reserves, heritage railways stations, historic canals, marine conservation areas, heritage rivers, federal heritage buildings and historical markers".

Parks Canada has redefined its purpose in the following manner: "To fulfil national and international responsibilities in mandated areas of heritage recognition and conservation and to commemorate, protect and present both directly and indirectly places which are significant examples of Canada's cultural and natural heritage in ways that encourage public understanding, appreciation and enjoyment of this heritage while ensuring long term ecological and commemorative integrity".

In 1930 the National Parks Act proclaimed that: "The parks are hereby dedicated to the people of Canada for their benefit, education and enjoyment and such parks shall be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations".

Over time the mandate and purpose of Parks Canada has moved toward the greater emphasis on environmental protection and less emphasis on public enjoyment. By its placement in the Department of Canadian Heritage, I have to ask the question: Will the environmental concerns of Parks Canada become lost within the heritage issues?

Throughout its history, Parks Canada has been faced with the same challenges, balancing development while protecting and preserving the ecosystem and funding, administration and fiscal accountability of the parks system.

I wanted to know more about the concerns of the people who live in the townsites and earn their livelihoods from parks. Our mountain parks are world renowned and people travel from the four corners of the globe to visit them. The economic value of this tourism is in the hundreds of millions of dollars and impact directly on hundreds of jobs.

This summer I met with people from Banff, Jasper and Waterton National Park. The single largest challenge facing parks today is balancing development of parks while protecting the parks' ecosystem. There is no question that Parks Canada contributes to Canadian culture and heritage. Development of the park resources ensures that visitors to the parks are able to fully understand and appreciate our natural and cultural heritage. This development also ensures the livelihoods of those who live and work there. Since their business is based on visitors' appreciation of the natural wonders of our parks, protection of the sensitive ecosystem is as important to business people in the parks as it is to environmentalists.

This government is continuing its inaction by stating that it is consulting the Canadian public on many issues. This is also true of parks. Currently in Alberta and B.C. mountain parks alone there are numerous reviews including the four mountain parks five–year plan update which separates studies for Banff, Jasper, Yoho and Kootenay. There is also the Bow Valley study in Banff, including a two–year moratorium on development. There are operational reviews for the townsites of Waterton, Jasper, Wasagaming, Waskesiu, Field and Lake Louise; a study concerning the closure of the Jasper and Banff airstrips; an action plan update for Lake Louise and a study concerning the twinning of the Trans–Canada Highway through the parks. This is symptomatic of a government wrapped up in reviewing, discussing and studying. But is it really listening? I ask this question over and over. The focus of all of these studies is directed at environmental concerns, not the cultural benefits of our national parks.

I would like to address another major challenge facing Parks Canada: funding, administration and fiscal accountability. According to figures obtained from the Minister of Canadian Heritage, Parks Canada 1993–94 budget shows expenditures of $170.2 million and revenue of $32.5 million. According to the mathematics I learned in school, this leaves a shortfall of $137.7 million. In these economic times it is impossible to understand how Parks Canada can maintain its administration and operation, let alone preserve our parklands for generations to come. Without a strategic and long range plan sustaining the parks at current levels it becomes more and more impossible for a cash strapped government.

• (1600)

As has been demonstrated time and again there is a lack of access to information about specific parks expenditures. For instance, the residents of Waterton National Park have been invited to participate in an operational review. This review is based on three suppositions. First, those receiving government provided services should pay an appropriate and fair amount. Second, Canadians should receive fair market value for the use of their land and assets. Third, subsidies should be eliminated. This sounds like more do nothing mumbo–jumbo from the Liberal government.

At a public meeting in Waterton residents were informed that the annual budget of their community was $750,000 while only $75,000 was generated. It is astounding. The community is willing to pay its fair share. In fact they welcome the opportunity to be more involved in the decision making and operations of their community. However they have not been given access to examine the expenditures to determine where the money is being spent and where it can be saved. The 85 year round residents are being asked to make up a shortfall of nearly $700,000 without full and detailed information. Isn't it a ludicrous expectation?

These residents are questioning such things as the necessity of having the equivalent of 59 year round employees within their small park of 505 square kilometres and annual visitors numbering only 330,000. Meanwhile their public school is now closed, and I saw this. Their children will have to be bused out of the park to get an education. Their swimming pool has been closed and there are grass and weeds growing through the cracks. This is stark evidence that community input has not been heard.

Yet Parks Canada's vision statement clearly states: "Stewardship of historic and heritage areas is a shared responsibility. Canadian citizens must be more aware and involved in decision making and in the delivery of heritage programs".

On August 3, 1994 the Minister of Canadian Heritage announced that he was looking at the matter of user fees for Parks Canada facilities. It is not clear from the documents I have seen what exactly the minister is targeting with these user fees. Parks Canada is already spending more than $170 million per year on national parks alone, not including other heritage sites.

Raising visitors' fees should only be considered when the government demonstrates its willingness to open its books and show Canadians where their money is being spent. Anything less becomes another unjustifiable tax grab and a government that is casting its greedy eyes to the already empty pockets of taxpayers.

In all my speeches to the House from the issue of the Canadian Broadcasting Corporation to multiculturalism and other heritage issues I have spoken of the need for fiscal responsibility and sound management practices. In closing I would ask some questions. Are we prepared to pay more to maintain our parks, or will our government continue to fund the parks system blindly and without accountability? How much more can the taxpayers of the country afford?

[*Translation*]

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I rise to speak on second reading of Bill C–53 to continue my opposition to it.

In my first speech, I reminded this House of some important considerations. First, I said that Quebec's problems are due to the very nature of the federal system since the federal system in Canada completely ignores the reality of Quebec. The original intention of Confederation has been gradually replaced by a strong central government in which one of the founding nations no longer has anything but the status of a small minority.

I also reminded this House that the existential questions of English Canada in no way concern the Quebecois and even harm the development of Quebec. We can only hope that English Canada can solve its existential problems for the good of our nations. Thus, the decision was made very unilaterally to spend huge amounts on the search for this elusive Canadian identity that supposedly supersedes the Quebec identity, which is very much alive.

• (1605)

In the same vein, I mentioned the harmful effects of the federal government's immense spending power. For example, in the referendum debate which is now just getting under way, we can already see the real impact of this spending power on the form and direction that the debate will take. For the sake of Canadian identity and its promotion, as provided for in clauses 4 and 5 of the bill, the federal government will subsidize various groups and organizations to defend the "no" option, directly contravening the spirit of the Quebec law on referendums.

The newspapers told us again yesterday that the Council for Canadian Unity was setting up three organizations for the Quebec referendum. One of the means being used is the Terry Fox Centre, financed—you guessed it—with federal funds. This is just the beginning of federal money being wasted in provincial jurisdictions.

Experience in Quebec has taught us that these well–financed groups will grow rapidly in the coming weeks. As I already said, all this is contrary to the spirit of the Quebec law. This shows how much consideration the federal system has for Quebec's distinct character. In my first speech, I mentioned that it is important for the development of Quebec culture that the Quebec government control this whole area.

Does the federal government care about this? Not in the least. With this bill, they are getting ready for a systematic invasion of all cultural areas, including the arts, the status of the artist, cultural heritage and industries, conservation, exportation and importation of cultural property.

I remind you that the federal government's cultural investments will amount to almost $1 billion a year in Quebec. That is what I mean when I say that the federal government's spending power is harmful to Quebec. I put forward these arguments only two weeks ago. Since then, new elements have confirmed how important it is to reject the Canadian heritage minister's bill.

First of all, we realized that the Minister of Canadian Heritage sees no limit to his power to take action. That in itself is very disturbing. We may well wonder how far the government would be willing to go if it felt that the Canadian identity was threatened. Would it be tempted to spend the money allocated to the Department of Canadian Heritage and to other departmental programs on promotion, without wondering at all if it is a legitimate investment?

The Minister of International Affairs is about to promote Canadian culture through his foreign embassies and his cultural centre in Paris, which, incidentally, the Conservatives wanted to close. The evidence given at the hearings of the Standing Committee on Canadian Heritage raises similar questions. The mandate of the CBC seems to throw the door wide open to an extensive promotion of the Canadian identity. Curiously, except for one or two well–known exceptions, after two months of sittings, nothing has been said yet about Quebec culture.

Is it necessary to specify that the vast majority of those who watch national television live in Quebec? What culture other than Quebec culture are they trying to reflect? Another element to be considered is the central government's attitude towards the new Quebec government's legitimate practices. Following an old tradition, the Parizeau government is working to revitalize the relationship with France and promote Quebec products in that country.

As we know, Quebec has felt for a long time that it enjoys exclusive educational and cultural powers at the international level. Cultural products are an important part of these international exchanges. How can Quebec protect and promote its culture, when the central government is making laws such as the bill before us today that would give it control over Quebec culture, which is unacceptable?

• (1610)

Once again, Quebec's specificity and autonomy are being denied. The right to control Quebec's culture belongs to the Quebec government, not to a government controlled by a majority representing English Canada. This is not a whim: It is a necessity. In fact, this is what the Bloc Quebecois reaffirmed in its dissenting opinion on the report tabled yesterday on Canadian foreign policy:

> Successive Quebec governments have always rejected this argument of indivisibility and developed distinct international policies and relations that aim to serve Quebec's national interests and promote its influence and development, particularly in commercial, cultural, economic, political and social fields.

Since she was sworn in, the new Quebec Minister of Culture and Communications has been asking for the patriation of Quebec's control over the electronic highway and communications, which is essential to the development of Quebec's culture. In so doing, the minister reflects the collective will of Quebecers.

It is imperative that the federal government withdraw from Quebec's cultural sector and that it gives fair compensation to the Quebec government. For all these reasons, we oppose Bill C–53.

[*English*]

**Mr. Bernie Collins (Souris—Moose Mountain, Lib.):** Mr. Speaker, it gives me much pleasure to take part in the debate concerning legislation that will establish in law the Department of Canadian Heritage.

As an opening comment I must say I am astounded by the determined attempts to turn a transactional piece of legislation into a seemingly complicated bill. The legislation before us is simply intended to give legal effect to a department that has been in effect for well over a year.

The Department of Canadian Heritage brings together the various elements that define us as a diverse and vibrant nation with a rich and bounteous cultural and natural heritage. The department's activities range from cultural development to arts, broadcasting, national parks, historic sites, amateur sport and multiculturalism. The department also administers social languages, state ceremonial and native programs, all of which contribute in a significant way to what makes uniquely Canadian.

The mission of the Department of Canadian Heritage which states "building our future together: strengthening a shared sense of Canadian identity which respects the diversity of the land and the people" reflects the broad range of activities that define the Canadian society. Direct support to our cultural industries, protection and preservation of our national parks and historic sites and the promotion of Canadian excellence in sports and culture are just a few examples.

Each and every part of the department is connected in some way to what we could refer to as the spirit and soul of Canada. Together these units form a striking panorama of our past accomplishments, our current reality and our aspirations for the future.

As the chief custodian of natural and physical heritage, Parks Canada commemorates, protects and presents both directly and indirectly places of significance to Canadian cultural and natural heritage as a means of encouraging public understanding, appreciation and enjoyment. The economic activity and tourism, generated by the department's operations make a substantial impact on the growth of many local economies. As well the parks service is setting new trends in its approach to the forging of innovative partnership arrangements with private and not for profit enterprises as a means of carrying out the responsibilities that fall within its mandate.

The Department of Canadian Heritage also plays a key role in the enhancement and development of English and French linguistic minority communities. Respect for Canada's two official languages, for the traditions and contributions of our aboriginal peoples, for our cultural diversity and for basic human rights makes Canada stand out among other countries as a nation that truly values and appreciates its diversity.

Multiculturalism is essential to Canadian society. Countries throughout the world are trying to find the formula that will allow them to create a real sense of national identity among groups of different ethnic, cultural, linguistic and racial backgrounds. Many of these countries are now taking a serious interest in the 100 per cent Canadian model we have created.

• (1615)

Members will note that in the act creating the Department of Canadian Heritage the government undertakes to advance the equality of all Canadians in their country's social, economic and cultural life. It recognizes the need to eliminate obstacles that divide Canadians and to forge bonds based on confidence and respect. The goal of multiculturalism is after all to create social cohesion and to strengthen national identity.

The Department of Canadian Heritage also focuses its efforts on the enhancement of culture and the development in Canada of a means of communication. Both are crucial to the future of our country not only in maintaining the uniqueness of Canada but also in acting as a powerful instrument of economic development.

No one will argue that we live in challenging times. At this particular juncture in our country's history unfortunately there are forces working to dismantle the entity that is Canada. Within this context it is imperative that government foster an environment in which Canada's rich cultural heritage can flourish and that all Canadians have access to their own products.

Moreover the march of technology is relentless, changing and in many cases erasing traditional borders. We are also witnessing changes which are taking place on a dramatic scale and are affecting the economies of our established trading partners throughout the world.

Within this backdrop and keeping it in mind now more than ever Canadians will benefit from the creation of a department such as Canadian heritage. I believe that the minister of the department has the privilege to direct one of the government's most exciting and challenging portfolios.

The legislation to create the department presents a far sighted and enlightened step by our government. This department will help ensure that Canada remains a country others look to as an example. It is a nation that is confident enough in its identity to embrace peoples of the world not only accepting their cultural differences but welcoming and acknowledging them for what they are: Living examples of human expression that link us to the past and provide us with the foundation and certainty necessary to face the future.

I believe that as a nation we need a Department of Canadian Heritage. I hope that the bill will receive speedy passage.

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, it gives me great pleasure to rise today to discuss the second reading of Bill C–53, an act to establish the Department of Canadian Heritage, which should be renamed the department of government waste and overlap. Hon. members across from me consider this bill nothing more than routine housekeeping yet to us in the Reform Party it is much much more.

Canadians want change. The Liberals are finally beginning to understand this and I commend them for it.

The Reform Party has been advocating decreases in immigration levels since the early 1990s and now the Liberals have adopted this idea. The Reform Party has been screaming loudly about the inadequacies in the criminal justice system and now the Liberals are reviewing the criminal justice system. The Reform Party has been pleading for serious amendments to the Young Offenders Act and the Liberals are also reviewing this issue.

The Reform Party has been talking about the critical levels of our debt and deficit. Our debt now stands at $538,181,397,919.00. Just like magic, the Liberals are beginning to think there is a problem in this area as well.

Although we are not the government, we can still be extremely effective and proud to know that our policy directives are beginning to be implemented by this government. I must congratulate government members on their insight.

• (1620)

I mention these few examples of where the government has been listening to us on the Reform side of the House. I hope this trend will continue in the future. I hope this will continue regarding Bill C–53.

As I alluded to earlier, Bill C–53 should be defeated in this House and sent back to cabinet for a complete overhaul. This overhaul should deal specifically with the notion of overlap and duplication such as: overlap between the Department of Industry and heritage; overlap between the Department of the Environment and heritage; and we are now seeing the possibility of overlap between the Department of Justice and heritage. The list goes on.

We as a government are spending over $40 billion annually or approximately $110 million every day. We do not have a revenue problem in Canada but rather we have a spending problem. Last week when I was back in my riding of Edmonton—Strathcona holding town hall meetings on social reform, many people commented on how much money this government continues to waste on needless or extremely low priority programs. The main programs that were mentioned time after time were official languages and multiculturalism.

First I want to say unequivocally that we are not anti–French nor anti–Quebec in the Reform Party. However, we do feel that a tremendous amount of resources is being wasted in areas in which the numbers do not warrant service in both languages. We do believe in implementing the policy of territorial bilingualism which would see maintaining official languages in key federal institutions such as Parliament, the Supreme Court and other federal services where the demand is sufficient to warrant cost effective minority language services.

Second, we have multiculturalism. It is here that I will focus my attention today. It seems clear to me that anyone who is critical of Canada's multicultural program is immediately labelled a racist. That is far too easy a way to avoid an issue. How can anyone debate an issue that from the onset has been reduced from an intellectual discussion to name calling? It is for this reason that I stand before my colleagues and challenge them to discuss the issue not on an emotional but rather on a rational intellectual level.

Proponents of the multicultural program have also begun to view honest criticism as attacks, and critics as enemies. Multiculturalism is a vision that proceeds from differences, from that which separates, and disregards that which unites.

Furthermore, in a survey conducted in 1991 Canadians were asked whether they approved or disapproved of government cancellation of multiculturalism funding which would force projects to be self–financed by the multicultural organizations themselves. Over two–thirds of all respondents approved and 45 per cent of them strongly agreed that multiculturalism should be funded by the multicultural organizations themselves rather than the federal government.

Because of time constraints I will only point out one of the measures in this act which is to provide support to individuals, groups or organizations for the purpose of preserving, enhancing and promoting multiculturalism in Canada. It is important to read a passage from a recent book written by Neil Bissoondath, an individual who immigrated to Canada from Trinidad. This book is called *Selling Illusions*. As Mr. Bissoondath illustrates quite clearly, one of the problems with the objectives of the multiculturalism act is:

> —so it is with the ethnic cultures offered at the pavilions of Caravan and other such festivals; all the colourful ethnics bowing and smiling in a mechanical greeting gesture to all the tourists. They look like the real thing, but their smell is synthetic. They have no bite. They are safe. Culture Disneyfied.

This is perhaps even more of a concern than the wastefulness of the $30 million we are presently spending on multiculturalism. In the divisive nature of this policy there is a notion or idea that we are discussing the creation of different laws for Canadians based only on ethnicity or culture. It is for this reason that the concept of multiculturalism through political cowardice and bureaucratic ineptitude and ethnic pressure has distorted federal policy beyond recognition.

• (1625)

For example the Liberals are presently reviewing a cultural defence which would allow someone whose culture or religion provides an escape from prosecution for something someone else of another culture would be prosecuted for. The cultural proposal leaves open the question of whether wife beating, violent discipline of children and polygamy are to be condoned according to culture. This issue raises questions once again: How do you define cultural background? Do you have to be from this culture? Do both your parents have to be from this culture?

Another example would be the Ontario plan which would divert black youths from courts to community service work. Essentially this program would treat black youths differently from everyone else, even though there is no statistical evidence that black youths commit more crimes. The reason that data of crime by blacks in Canada is scant is that police departments do not generally keep race based figures. Why is that? Perhaps it is because our justice system in Canada is blind and should be blind to factors such as race or ethnicity.

What happened to equality before the law? What happened to treating all Canadians the same regardless of race or ethnicity? Both of these examples are classic illustrations of multiculturalism run amok.

What Canada needs is a government to lead by example. So give the people what they want. Scrap among other things the funding for multiculturalism. Send Bill C–53 back and replace it with a bill which has eliminated overlap and duplication as well as government waste.

Multiculturalism works counter to unification. It pulls at the very fabric of this great nation. What we need is equality, not special treatment for different groups and individuals. There is nothing fundamentally wrong with multiculturalism, provided it is funded by the multicultural organizations themselves. However, this is not the case in Canada and the reality is that multiculturalism is nothing more than an abuse of our generosity.

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Mr. Speaker, I listened with interest to my colleague from Edmonton—Strathcona. I suppose I should assure him right off the top that neither I nor my colleagues on this side have any intention of adopting Reform policies nor their manners I do not think.

It is interesting that the member speaks about this policy and how it has been adopted from Reform and the next words out of his mouth are why it should be defeated. I am here to tell my colleagues and everyone else who are prepared to give me a fair hearing on both sides of the House why the bill should be supported.

Let me assure the member there is precious little in the way of the philosophy of his party that we are interested in adopting. Indeed that is why we ran candidates in every part of this country, in every single province. We ignored no provinces to field candidates. I think my colleagues opposite have realized their error there and are about to attempt to rectify that. Canadians know and realize what is their one truly national party in the House. That was seen in the fact that there was only one party which elected members in every province coast to coast to coast.

I am interested in explaining why I feel this is a very important bill that is worthy of support from those with open minds in all parts of the House.

There are several purposes for Bill C–53. It seeks to establish by law the Department of Canadian Heritage. It sets out the powers, duties and functions of the Minister of Canadian Heritage. It would settle various technical matters relating to the establishment of the department and it would put in place the public service organizational structure formalizing the transition of employees. It would bring under one roof communications, cultural industries, official and heritage languages, national parks and historic sites, voluntary action, multiculturalism, state, ceremonial and amateur sport.

• (1630)

In other words, the bill would provide a much better co–ordination and integration of several important functions. It would seek to streamline those functions and to carry them out more effectively and more efficiently. I think that is a goal that ought to be supported by members on all sides of the House, that we provide the services of government more effectively and more efficiently.

I would hope that we would share that philosophy in all parts of the House. No, there are comments from members opposite in which we can see that because multiculturalism is part of this bill somehow it is not worthy of support. That is regrettable and it is simply un–Canadian.

What does it mean to be a Canadian. I would encourage some of the members from the Reform Party, who are hollering out comments now during my speech, to take a look at the Canadian Coat of Arms. The concept that somehow this nation has ever been one sort of pure culture or one blended culture is absolutely and patented nonsense. The very Canadian Coat of Arms has emblazoned on it the symbols of four cultures. This nation has four founding races.

I quite frankly think that many Canadians do not know that. I regret to say I suspect that some of my colleagues opposite are ignorant of the fact that there are four cultures that founded this country and they are very well depicted on the Canadian Coat of Arms.

From 1867 by definition this nation has always been multicultural. By definition we have always had more than one culture. This bill seeks to recognize and to continue a very important fact about this nation which is obviously not appreciated by some of my colleagues opposite.

In a word, this country represented a new nationalism, a blending of several cultures right from day one, with four founding cultures, with two dominant languages, and since 1867 we have become even more multicultural. This is not something that started recently. Those who think that ought to read some Canadian history.

Multiculturalism is not something new. It has existed right from the start of this country and it was enshrined in 1867 in the Constitution. As I have said several times, for those who care to look it is well depicted on our coat of arms. We are a polyglot nation. We are nation which draws from the strengths of people from around the world.

I hear members on all sides of the House speaking with accents from various parts of the world. Although I may disagree with their philosophy on certain things, I am proud to hear their accents. Nothing shows more graphically that we are a nation which draws from the peoples of the globe. There is no country made up of as many cultures of this world as Canada. That is something of which we ought to be proud. It is something which makes us uniquely Canadian.

Frankly that is the Canadian identity, that we are a nation which was founded with four cultures, two official languages, but has been generous enough since 1867 to open its doors to the peoples from around the world. They are literally flocking to Canada and that is the strength of this country.

That is why my colleague from Edmonton—Strathcona has no fear that we are stealing the Reform policy. Unfortunately my understanding of those members' policies is that they do not recognize that as a strength. That is a very basic strength of this country. Perhaps it is our greatest strength as a nation.

• (1635)

The fact that Canadian culture will continue to drive our economy even more in the future as we enter an era of globalization of trade ought to be something which is seen by anyone who cares to take a look at the facts of the case.

A very dominant economic activity all over the world as we enter the 21st century is tourism. I do not think as Canadians we recognize that fact enough or that we do enough to capitalize on it. We are starting to address that and this government hopes to make it a key priority.

The fact that we can draw from people around the world to come and visit their friends and family who are living in Canada ought to make us a leader in world tourism if we are prepared to see our multicultural character as a strength and not somehow as a liability, which I hear far too often in this House. It disappoints me to hear it no matter where it comes from.

Of course all of these changes are to be pursued within the ambit of fiscal responsibility. Canadians know that this government is committed to fiscal responsibility in all areas of federal endeavour. They can be assured that Bill C–53 is consistent with that objective and therefore with the comprehensive review of the federal government programs now underway.

Our government appreciates that there are some concerns about the decision to divide responsibility between broadcasting and telecommunications, between Canadian heritage and Industry Canada. There are valid reasons for that. The inclusion of telecommunications in the Department of Industry's portfolio recognizes the increasing role of the economy.

On the other hand, broadcasting has a tremendous impact on a country like Canada with the enormous geography we are blessed with and yet with a population only 10 per cent the size of that of our American neighbour. Broadcasting is vital in this country. We have to be very vigilant to make sure that it promotes Canadian culture at all times and that we not allow it to be dominated by the American broadcasting networks. Therefore it rightly belongs in the Canadian Heritage Department where this bill will have it housed.

The department is active in promoting Canadian identity in several major areas: natural and physical heritage, official languages, amateur sport, community support and participation and also the management of cultural development and means of communication.

We have 36 national parks in this country, many of them beautiful parks in our western provinces, but also in every province one would care to name. Surely we want to promote that. We have nine historic canals and four marine areas located throughout Canada. We are a nation with three oceans.

We will soon be celebrating the 75th anniversary of Parks Canada. Canada's parks generate an annual revenue of over $1 billion, providing jobs for roughly 30,000 Canadians.

In the area of official languages, amateur sport, community support and participation, that in itself is a mouthful to say. Obviously one can see what tremendously important areas that encompasses. We are a nation of tremendous cultural diversity, of multiculturalism. It is a strength and it ought to be built on.

I will refer to the area of sport with which I am most familiar. When we send Olympic athletes to represent this country, they represent this country. They are not hung up on whether they are French Canadian, English Canadian, whether they are from Alberta or Ontario. They represent Canada and they win medals as Canadians. That is seen very clearly in the sport of ice hockey where we have tremendous excellence and really lead the world in that.

I recall the very famous goal, probably the most famous goal scored in hockey, the Paul Henderson goal; Henderson scoring from a French Canadian named Cournoyer and from an Italian Canadian named Esposito.

They are three Canadians who very proudly helped to defeat the Russians and to show Canadian excellence in hockey. That is the kind of teamwork we need in this country, all cultures working together, our multiculturalism seen as an asset, not as some kind of liability. Some groups get very hung up on the fact that we may be encouraging these cultures to hang on to what is important to them.

I am a father of three children and many of my colleagues here are parents. It is possible for me to be what I am, a Canadian of Irish extraction. I am very proud of it. I was raised to celebrate that fact. Also I am very proud of the fact that I am a Canadian.

• (1640)

It is equally possible to be proud of two things at the same time. They are not mutually exclusive and I do not understand the very narrow minded approach that I hear from members opposite that somehow one cannot be proud of those two facts at the same time. It is to be pitied.

[*Translation*]

**Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ):** Mr. Speaker, it is a pleasure to speak to Bill C–53, whose purpose is to establish the Department of Canadian Heritage.

I would like to take a few minutes to comment on the mandate of the future Department of Canadian Heritage, especially its wording reveals something very disturbing about the future of Canada. It says: the mandate of the Department of Canadian Heritage, and I will read the entire text. My source is a document released by the Liberal government, which means that we can hardly question its authority. It says: the mandate of the future department is to create and promote among Canadians a profound sense of identity and belonging, based on bilingualism and biculturalism. It also says a little further on that the department's objective is to develop and implement programs that support a very clear sense of identity among Canadians.

The first two words of this mandate raise some questions about the purpose of, or even the need for this department, since "susciter" implies there is no sense of identity or belonging, according to the text.

Before my speech, I checked the *Petit Robert*, a dictionary whose authority one would also hesitate to question, and its definition of the verb *susciter* is to give rise to a feeling or idea. This is exactly the mandate of the Department of Canadian Heritage. To give rise to something implies that it does not exist.

It is rather odd that after 125 years, we have a government that creates a department of Canadian Heritage and admits in the department's mandate that a sense of identity or belonging does not exist. They are right, because what does exist in Canada is two identities. We have the existence of a very special and very obvious identity in Quebec, the francophone identity, which is open to all communities and provides that everyone who so wishes has an opportunity to develop his potential and live in harmony with everyone else.

There is also the anglophone identity, which is found mostly outside Quebec and which also is open to people of all nationalities, respecting their own cultural identity, while giving them an opportunity to grow in this country called Canada.

So it is entirely correct that this mandate should say and admit that a Canadian culture as such, of which all Canadians would be a part, including Quebecers, does not exist.

• (1645)

During this debate, I would like to see the Minister of Canadian Heritage tell us which values are shared throughout Canada, that is in Quebec as in the rest of the country. This is my first comment.

On the face of it, I say that the mandate of the Department of Canadian Heritage is in fact to promote the values of this government, as opposed to the values of Canadians and Quebecers. In my view, that makes it a department of propaganda. We have known for decades that the federal government views culture in Canada, and particularly in Quebec, only in terms of bilingualism and multiculturalism.

Yet, there are dozens of countries where people are bilingual but still preserve their own identity. If you ask French people who can speak several languages such as English and Spanish what is their primary culture, they will spontaneously say that it is the French one. As well, I have yet to meet an American who would question his identity. It is a clear and simple reality which helps respect those who do not think like us and who do not share the same cultural background.

I also want to say that, traditionally, the federal government and other institutions such as the Supreme Court have always reduced, if not eliminated, Quebec's power over its own culture. Let me just mention communications, which is a vital sector for culture. Over the years, three decisions have been made by the Supreme Court which, as everyone knows and as former Quebec premier Maurice Duplessis used to say, "always leans on the same side". The first decision, in the late thirties, confirmed that broadcasting fell under federal jurisdiction. The second one, in 1974, had to do with cable television, while the most recent one, in 1994, concerned telephony. The end result is that Quebec is excluded from the communications sector, which is an essential and strategic tool for Quebecers' future.

I think I have one minute remaining on my speaking time. I would like to conclude by taking a look at the people who head these institutions, and the Minister of Canadian Heritage in particular, the hon. member for Laval West who, I think everyone will agree, is a very nice guy, but does not hesitate to impose his views on organizations under his jurisdiction. Just think back to recent events; these past few weeks, in fact during two weeks, the Bloc Quebecois and the Reform Party have been asking for the resignation of the heritage minister for having interceded with the CRTC on behalf of his constituents.

During two whole weeks, during question period, the Bloc Quebecois and the Reform Party raised repeatedly with the Prime Minister the need for the Minister of Canadian Heritage to resign for having interfered with a quasi–judicial organization which is in fact the equivalent of a tribunal. One can wonder what this minister will be able to do, in Quebec in particular, with his propaganda department come the day when the people of Quebec will decide their future.

• (1650)

One last point. This minister will find strong support within his caucus. Let me name two supporters. First, the Minister of Foreign Affairs and member for Papineau—Saint–Michel, who is remembered in Quebec in particular for the statement he made in 1977 about the Canadian Broadcasting Corporation which, to my mind, is certainly one of the most prominent cultural diffusion vehicles in Quebec. With the prospect of the 1980 referendum in mind, he said he did not want to see the French network of the CBC take a neutral stand in presenting both sides of the issue, adding that at the time of the referendum, CBC employees would be expected to be unequivocally on the pro–Canada side.

Recently, the Prime Minister himself said that the operation of the CBC was governed by an act under which it was required to make the benefits of living in Canada known. That is what the CBC was established for, he said.

The message is clear, and we are perfectly justified in being concerned about the establishment of this department.

**The 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 Saint John— Veterans affairs.

Resuming debate. The hon. member for Victoria—Haliburton.

[*English*]

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** Mr. Speaker, it is a great pleasure to rise today to join the debate and once again speak in support of Bill C–53, an act to establish the Department of Canadian Heritage.

Bill C–53 must be recognized as part of a greater reorganization of government. This reorganization will allow for a more efficient organizational structure in the department which in the long run will prove of greater benefit to the Canadian taxpayer, something all of us should be in favour of.

Although this department had its beginning under the previous government in June 1993, the current government of which I am a member has improved the department markedly. I am pleased to say these improvements are reflected in many accomplishments of the department in the past year in the area of heritage conservation, official languages, national parks and amateur sports to name a few.

With this in mind, the government is now proceeding with the task of confirming the reorganization of the Department of Canadian Heritage to better serve all Canadians. I believe it is important to remember that this department serves a large group of Canadians, not special interest groups as some members across the floor have criticized. The department serves national parks across the country, amateur sports across the country, heritage sites across the country and numerous cultural exhibits across the country. It is truly a national department dealing with Canadians from coast to coast to coast.

In my riding of Victoria—Haliburton in Ontario I think of the Trent–Severn waterway system which has transported millions of people in the last 100 years. It allows users to travel from Trenton to Georgian Bay on a heritage waterway system. In particular, each summer as a direct result of the commitment to heritage by this department, I see the operation of a blacksmith shop along the Rideau Canal system which stretches from Kingston to Ottawa and contains numerous heritage locks. This operation shows the importance of heritage and history in Canada. Add to that the diligent work and commitment of the department in the Trent–Severn and Rideau Canal systems and its important heritage will be preserved for future generations.

Culturally, certain members opposite argue that if the free market does not support certain types of art then they should not be produced. There are many examples of experimental or cutting edge art which appear on display in our National Gallery here in Ottawa. Once again some members opposite see no bottom line need for these pieces of art when in fact some of the

art is worth considerably more now than the original purchase price. Art cannot be judged quickly or haphazardly.

• (1655)

Upon close examination and as a direct result of the department Canadian cultural industries have grown over 40 per cent from 1988 to 1992 when other industries saw their revenue and sales drop. In large part this is due to the benefits of programs like those for sound recordings, postal subsidies for book publishers, as well as film and video departments. As a matter of fact from 1987 to 1992 in Ontario alone the export of critically acclaimed books by Canadian writers increased about 70 per cent.

In addition, because the cultural industries rely so much on innovation and technology the jobs they create are of high skill, long duration and high value. Award winning books and movies, commercially successful theatre productions, million copy selling records and production facilities that attract international film producers are some of the areas in which Canada has become highly successful. All of these successes are signs of creative cultural industries that are increasing and growing each year. With those increases have come successful jobs and businesses for Canadians.

Canada's multiculturalism policy has the noble aim of promoting equal opportunity for all Canadians to participate in the social, cultural, economic and political life of our great nation. I would also like to encourage some members opposite to become aware and consult with those Canadians who are grateful for the multiculturalism policy and its benefits.

Our multiculturalism policy is an effort by responsible government to help Canadians understand one another and develop tolerance. Diversity does not divide us; it can only enrich our society. It is important to remember that if Canada wants to remain competitive in an ever shrinking world, we must pool our resources of diverse cultures and people.

I must commend the members opposite for their continued efforts to find something wrong with the department of heritage. It is apparent they cannot find anything. They cannot find anything new to say about the department until they read it in some newspaper. Perhaps they should concentrate on the fine effort put forth by the minister and his department as well as the policies and issues they manage. I believe if the members opposite focused on this instead of their theatrics, they would agree with me when I urge the passage of Bill C–53.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I thank the House for the opportunity to address Bill C–53, an act to re–organize the Department of Canadian Heritage.

I must confess I learn fascinating things when I come to the House and listen to some of the comments made by the members across the way. It was fortunate for the hon. member, and I have to be careful how I say this, that a couple of his colleagues came in to give him some support, otherwise it would have been worked pretty thin.

I found out that there are four founding cultures in Canada. That is very interesting. I wonder if they all happened to set foot on Canada's soil at the same time, or whether they came in from four corners and met in the middle. It sounds rather odd. I found out that if we did not have a massive Department of Canadian Heritage we would not have heritage locks in the member's riding. That was quite enlightening, I must admit.

What we really need to do is rethink the very reason for the existence of this ministry rather than talk about some tinkering or on some reorganization of the department and the ministry.

Earlier I believe my colleague from Edmonton—Strathcona referred to Neil Bissoondath and made some remarks on Mr. Bissoondath's position on multiculturalism. I cannot remember if he quoted from his book or not, but I came across an editorial dealing with Mr. Bissoondath's latest book.

The editorial was written in the *Vancouver Sun* published on November 14. I would like to bring this to the attention of the House. To my knowledge this was not written by a Reform Party member but it quite closely shadows the position taken by Reform on multiculturalism. If I have some time remaining I would also like to bring a few other issues to the attention of the House, but the editorial in the *Vancouver Sun* reads:

> Neil Bissoondath's latest book, a non–fiction examination of the federal multiculturalism policy, is provoking timely discussion of both the merits and the cost of the policy.
>
> Mr. Bissoondath, a Canadian who originated in Trinidad, argues that the policy does not promote understanding and acceptance but instead underscores differences and thereby divides Canadians. Is he right? Is the multiculturalism department of the Canadian heritage ministry doing more harm than good, and would the $26 million spent annually on grants be better used to reduce the deficit?

• (1700)

It sounds a bit like a Reformer asking these questions but it is the Vancouver *Sun*. It would be foolish to chuck multiculturalism on the mistaken notion that it exists to finance folk–dancing jamborees. Some money may still find its way there but much of it provides substantial support to immigrants trying to fit into Canadian society.

There is support for ethnic communities struggling with intergenerational conflict for seminars to examine family violence and for cross–cultural training for institutions like the police.

While these aspects of the policy seem to attract support for many immigrants and other Canadians, the downside worries some of them. For Mr. Bissoondath, the downside is the weakening of the Canadian fabric as newcomers are stuck with hyphenated labels and end up neither simply Canadian nor whatever they were before they came here.

Some immigrants describe the downside in terms of stolen dignity. Others argue that the policy ghettoizes newcomers instead of encouraging them to develop loyalty to their new land. On the basis of what immigrants themselves are saying, it seems clear that the policy, now more than 20 years old, is due for an overhaul. It does not say a reorganization. It says an overhaul.

The financial crunch provides another reason for an examination of the multiculturalism program just as it does in the case of the Canada Council with its $98 million budget this year, amateur sport with $64 million, Advocacy for Women $8 million and so on.

On a per capita basis, multicultural grants cost each Canadian less than $1. Some of the projects seem worth much more than $1 but in other cases $1 is too much. Why is any money spent on poster and button campaigns against racism or on teaching Armenian?

If Armenians or any ethnic group wants their kids to be able to speak their language, they should find the money for it in their own pockets. Government funding for this kind of language training speaks to Mr. Bissoondath's point about the policy's role in fragmenting Canadians by giving groups a heightened sense of their own ethnicity.

It also confirms native Canadians in their disinclination to embrace immigrants as full citizens. We do not suggest that Canada should opt for the U.S. style melting pot, but our cherished mosiac feels a bit battered. It is time to rethink multiculturalism, its purpose, effects and costs in dollars and cents.

Thanks to Mr. Bissoondath, whose foreign roots make him uniquely qualified to debate multiculturalism, it is now on the agenda along with everything else. I concur in the thought that this ministry needs to be rethought rather than reorganized.

When I spoke to amendments to the bill I talked about the dozens of agencies and organizations that answer to the Ministry of Canadian Heritage. They range from the CBC to the museums and multicultural programs. I cannot help but wonder if many of these institutions could better serve Canadians from the private sector or whether they should have their funding reduced or eliminated altogether. Perhaps their functions could be better performed within other departments and under other ministries.

For example, I believe we could seriously consider cutting all the funding to institutions such as the status of women in Canada and, as I mentioned earlier, multicultural grants.

Another area where federal spending is unnecessary is on official languages. Why do we need an official languages commissioner? By making this a responsibility of the provinces and private organizations, more relevant service can be delivered with considerable savings to the federal treasury.

Under the Department of Canadian Heritage we have a National Battlefields Commission. I am sure that the forming of that is necessary, but perhaps it could fall under the jurisdiction of the defence department if there was no Canadian heritage ministry.

Then we have the Race Relations Foundation. It sounds like perhaps there may be some justification in that. It is hard to say but if there is perhaps that would fit under justice. Certainly it seems odd that we would want to indicate that race relations were part of our Canadian heritage. It almost has a negative connotation. It is not something we want to be part of our heritage but if there is a problem, it is something we want to fix.

The Public Service Commission might more appropriately fall under the jurisdiction of the Treasury Board.

• (1705)

There are perhaps some things we should do with the CBC. If you asked the average Canadian what they saw as the most outstanding example of Canadian heritage I wonder whether they might talk about our people and the qualities of our people, or whether they might talk about our environment and the wonderful land that we have. I doubt very many would point to the CBC, especially to Telefilm Canada and the National Film Board, which certainly could be merged and probably privatized at a great reduction in cost to Canadian taxpayers.

I hate to even mention this because it has been mentioned so many times, but the museums are funded by the Department of Canadian Heritage. I wonder if they could not possibly be privatized as well. Maybe then the people that enjoy these museums would find things that would cause them to want to come to the museum rather than be disturbed by what they saw in some of these museums. It certainly would eliminate some of the boondoggles like the current museum being built in the Prime Minister's riding, I would add again, at great cost to the taxpayers and a study indicating that this thing is doomed to failure.

We find that after thoroughly and objectively reviewing all of the current responsibilities of the agencies of the Minister of Canadian Heritage that this minister may not be required at all. It is possible that once all the unnecessary or obsolete spending is removed there will not be enough left to justify a ministry at all. Perhaps the remaining justifiable responsibilities could be provided by other ministries. We believe that this would provide some savings to Canadian taxpayers.

I will take just a couple of minutes in wrapping up to indicate what they might be. There could be one less car and driver for a minister. There could be one less big office with minister's staff. There could be one less multimillion dollar MP pension plan to pay out, topped up by taxpayers. There would be less chance of letters of intervention to the CRTC if we removed the Minister

of Canadian Heritage. There would be less chance of conflict of interest. The smaller the cabinet the less chance there would be of conflict of interest. There would be one less typical Liberal bigwig to worry about.

I close by again saying let us rethink whether we even need a Department of Canadian Heritage, whether we would be better off in this country and have a better heritage if we had no Minister of Canadian Heritage. Let us rethink this whole thing rather than reorganize it.

[*Translation*]

**Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ):** Mr. Speaker, the reorganization proposed in Bill C–53 to make the Department of Canadian Heritage a promoter of Canadian culture from coast to coast is in fact a direct attack by the federal government on Quebec's specificity, in terms of its culture, language and cultural institutions.

This is evidenced by the inclusion of the Canadian culture in Canada's new foreign policy and it demonstrates once again the growing desire of the federal government to marginalize Quebec's specificity by imposing an all encompassing Canadian multiculturalism. This desire was very clearly expressed by the Minister of Canadian Heritage in his speech on Bill C–53, when he said: "We hope to rally the mighty forces of multiculturalism behind a cultural identity that is uniquely Canadian".

The objective is clear. Since the only references made in that speech to French culture in Canada concern the official languages and TV5, we have to conclude that the government feels it must absolutely manage to bring not only Quebec culture but also native culture into the supposedly ideal context of multiculturalism, considering the ever present and ever powerful American culture.

In such a context, you can easily imagine that the Official Opposition feels it would be suicidal to support Bill C–53.

In spite of the noble statements made by the minister, a man of letters if there ever was, how can the Canadian Parliament not be concerned to see today's culture, including our authors and creative artists—what I would call heritage in the making—be considered like an industry such as steel, footwear or poultry?

• (1710)

For example, who will have the last word on the review of the Copyright Act? The Minister of Industry or the Minister of Canadian Heritage? Chances are that the Minister of Industry will keep the powers already vested in him, since nothing in Bill C–53 clearly states how responsibilities are to be divided between the two departments.

Here is another example that should ring an alarm bell in this House. Thanks to the information highway, communications will soon reach a speed of Mach 2. Is it reasonable to reduce the whole issue to the marketing of fibre optics?

Yet, that is the conclusion we must reach since the Minister of Industry will be the one in charge. They are thus refusing to admit that the major technological revolution generated by the information highway will no doubt transform global culture quickly and dramatically.

It is often said that war is too serious to be left to generals. Could it be that a society's culture is too precious to be left to technocrats and businessmen?

I think that Quebec culture is too precious to be left in the hands of the federal government. The state of Quebec must be the only authority responsible for Quebec culture.

Quebec's historical demands in the field of culture have always been based on the recognition of its specific identity and on the desire of the Quebec government to be the only one in charge of promoting and defending Quebec culture. Examples of this political will are not lacking. In 1966, at a meeting on Canada's tax system, Premier Johnson said that Quebec must be the master of its decisions concerning cultural development.

In 1969, Premier Bertrand said that cultural affairs were in Quebec's jurisdiction. In 1973, under Robert Bourassa, Quebec wanted to take back control of all cultural policy, including the federal funding for it. In 1976, Quebec proposed that each province alone legislate on issues concerning the arts, literature and cultural heritage.

More recently, in 1991, the Bélanger–Campeau Commission mentioned the need for Quebec to have exclusive jurisdiction and responsibility for social, economic and cultural development. The same year, the Arpin Report, commissioned by the Quebec government at that time, said this: "We can conclude that overlap between the two levels of government clearly exists in terms of structures, programs, target groups and even legislation and fiscal measures. . . Harmonizing the action of the two levels of government has always been difficult. The federal government never wanted to recognize Quebec's precedence in cultural affairs".

For more than thirty years, the federal government, on the strength of its spending power, has meddled without any scruples in culture. The purpose of these incursions was clearly to downplay the impact of Quebec culture. The result has been to

promote duplication and overlap, while making the arts community dependent on federal largesse.

The federal cultural offensive reflected in Bill C–53 is only the tip of the iceberg. Consider the report of the Special Joint Committee reviewing Canadian Foreign Policy, which confirms Ottawa's resolve to subject Quebec culture to federal standards.

The dissenting report tabled by the Official Opposition condemns this attempt by the federal government to dilute Quebec's distinct identity by stirring it into a Canadian sauce of bilingualism and multiculturalism. Clearly, the sauce makes the dish.

The Official Opposition maintains, and I quote: "Where culture is concerned, the direction of Canada's foreign policy, as prescribed in the majority report, is based on the theory of a single nation, one single culture (so–called Canadian culture), and the resulting requirement that all the provinces must have equal status".

• (1715)

To the Official Opposition, it is clear that "the principles of bilingualism and multiculturalism, which form the political bases for defining so–called Canadian culture, have the effect of denying the existence of Quebec culture, which is original and which developed essentially from its French origins, with contributions from the British, the aboriginal peoples and, more recently, the various immigrant communities".

Quebec will never let its culture be beholden to the federal government. The Official Opposition vigorously condemns this blatant attempt to make Quebec subject to federal dictates.

[*English*]

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, it is my pleasure to address Bill C–53 once again. It is my pleasure to talk about the various aspects of the Department of Canadian Heritage and to suggest that what is really needed when we talk about this department is not just a superficial streamlining of the department but a complete overhaul starting with many of the departments that reside within the Department of Canadian Heritage, including specifically departments like multiculturalism, the Canada Council, the National Film Board, status of women, CBC and many more.

Let me talk about some of these different departments on an individual basis and suggest that in some cases we could do completely without them.

Let me talk first about the department of multiculturalism, something many Reformers have talked about already. Hon. members from across the way have suggested that if there were not a department of multiculturalism somehow there would be no multicultural diversity in Canada. That is a crazy notion.

I remind members across the way that when we settled the west in this country we had cultures from all over the place. We did not need a department of multiculturalism. Those people had their own cultures, they preserved them with their own money, which is a new concept for Liberals. It is something that is still done today. People do not need the government to tell them they need to preserve their culture. They will preserve their culture if they see fit with their own funds. That is what makes sense to most Canadians.

For some reason this government has decided that some cultures are more deserving than others, that there should be a list of priorities in terms of cultures and that some groups should get money and others should be shut out. I think that is very divisive.

I point out to the members across the way who have often said that Reformers offer no solutions on cutting spending, here is an area where we can cut spending, something like $21 million. We could cut it today, I would argue, and most Canadians would be very much in favour of it.

I want to talk for a moment about some of the other problems with the department of multiculturalism. A minute ago I said that sometimes I think having a department of multiculturalism creates division. As an extension of that, not all behaviours are equal. Some cultures advocate types of behaviours that are clearly not supported by most Canadians. For instance, some cultures suggest that women should be somehow subservient and that they should play a lesser role. I do not agree with that.

I think when we start to fund cultures and give people money to support cultures, it stops what has become a standard in Canada, sort of an ethical or moral standard from spreading into these other cultures where sometimes they do not treat people with respect on the basis of gender. That is something I very much oppose and I hope the government across the way would oppose as well. We can make the argument that the department of multiculturalism has outlived its usefulness.

I would also argue that when we see things like what the justice minister proposed on the weekend or what came out of his department, that there be something like a culture defence in law, I think we can see the danger of this whole attitude toward setting up special status for certain cultures and what it can lead to, possibly opening up a Pandora's box.

• (1720)

Thankfully Reformers were on guard for Canadians and quizzed the minister about this immediately. He backed away from it, and well he should have.

It is not because they saw this was flawed from the outset. It was only because Reformers jumped up, raised the point and forced the minister to back down and hopefully we will always be there to do that.

In the meantime we would certainly encourage the government members across the way to take another look at this whole department of multiculturalism and to acknowledge that this approach to governing can lead to division, can lead to some of these strange ideas in the justice system.

Another departmental organization that should be looked at in the Department of Canadian Heritage is the Canada Council. The Canada Council provides grants for all kinds of Canadian artists and people who should be and would be producing art anyway. We spend tens of millions of dollars through the Canada Council every year to pay people to produce what they at Canada Council call art.

I would argue that before there was a Canada Council and in spite of the Canada Council people still create art. I know in my own riding there are many people who are painters, writers, who are thrilled to try to produce art not because they get paid to do it but because it is a creative impulse that they have. In order to satisfy that impulse they produce art and all of society is enriched for it.

What I really like about it is taxpayers are not expected to pay for it. They are not expected to either fund the artist or to buy the art. Contrast that with the Canada Council where we have tens of millions of dollars going to publishers so that they can produce books from writers who are also funded and then of course they sit on shelves forever. I read a book actually that was funded by the Canada Council about the abuses in the Canada Council, believe it or not. It is a great irony that it is almost impossible to write a book in this country without it being funded by the Canada Council because those funds go directly to Canadian publishers. That is one of the strange ironies.

This particular writer talked about a warehouse being devoted to all these volumes of Canadian literature that people simply would not buy. They could not even give it away.

When they proposed to send packages of Canadian literature around to schools, even to prisons, they were rejected. I suspect rightfully so because at the end of the day beauty is in the eye of the beholder and people have to make these judgments for themselves.

I think that is the best argument of all for not having an organization like the Canada Council that completely distorts the marketplace and really cheapens the product because many very good Canadian writers are lumped together with the ones who are not very good. In the eyes of people who try to follow this they get a jaundiced view of Canadian culture because so much stuff comes out that is not good. It is funded by the government and people get a jaundiced view and at some point say perhaps all Canadian culture is not very good. That is very unfortunate. There is a lot of good stuff out there. Because of organizations like the Canada Council people get a prejudiced view of what we can produce in this country. That is very unfortunate.

Another institution that causes people to wonder about the government's spending of tax dollars is the National Film Board. My colleagues from the Reform Party in this House have raised the issue of a series of videos funded by the National Film Board on lesbian love. They were restricted videos, ones that contained very explicit scenes. This causes us to pause and wonder whether this government is serious really about cutting spending at all.

There are many millions of dollars spent by the National Film Board every year. Should there not be some strict guidelines that that say anything that is pornographic in nature or is x–rated should not be produced particularly with taxpayers' dollars when so many taxpayers would reject that?

• (1725)

That is not what the Liberals think. It begs the larger question of whether there should even be a National Film Board. It seems to be largely unaccountable.

I would argue that many private producers of films would love to step in and provide films for schools as is done actually in the United States. I had a lady in my own riding who came to me and said she would like to show National Geographic films in the school. She wanted to know how she could go about getting the rights to them. As it turns out it actually offers these to schools for free. The National Geographic Society is a society that is funded by individuals, not by taxpayers. Why could that not happen in this country? I would argue very strongly that it could.

Let us talk for a moment about the department for the status of women also under the aegis of the Department of Canadian Heritage. One of the jobs it has it seems unfortunately is to fund private interests including the National Action Committee on the Status of Women, a group that is highly politicized, very narrow in its focus and absolutely and completely does not represent the views of all Canadian women no matter what it tells us. If it is so certain of its position, if it really does believe that it represents Canadian women then it should go to Canadian women and get its funding from them directly. I would absolutely support it in doing that.

At this point in this country when we are in such a terrible fiscal situation I encourage the government to take a look at the complete Department of Canadian Heritage to seriously evaluate whether we need great gobs of that department and to really finally get its fiscal house in order.

[*Translation*]

**Mr. Michel Daviault (Ahuntsic, BQ):** Mr. Speaker, I realize I have only a few minutes. I have the pleasure to rise to speak for the second time on Bill C–53, An Act to establish the Department of Canadian Heritage.

When I first spoke on this bill, I pointed out that this department was a "grab bag" with a hodge–podge of programs, as a result of dividing up responsibilities and bringing together parts of federal departments.

I also stressed the very relative political say of the Minister of Canadian Heritage as compared to the real power of the Minister of Industry who would hold the purse strings.

I ended my remarks by denouncing the fact that the existence of Quebec's culture was completely ignored since the bill was totally silent on it. And finally, I noted the unfair treatment given by management to the French network of the CBC as compared to its English counterpart, mentioning that many regional stations had to shut down.

In this respect, in a brief submitted to the Standing Committee on Canadian Heritage, Mrs. France Dauphin, from the coalition for the defence of the French network of the CBC, raised a number of issues. For example, investment in programs per hour of broadcast time has increased by approximately $7,000 as far as the English network is concerned, but only marginally in the case of the French network. In just five years, from 1987 to 1992, investment rose from $30,500 to $37,500 at the CBC while rising from $17,500 to $18,300 at SRC. In other words, a mere five per cent increase for the French network, as compared to a 20 per cent increase for the English network.

I want to go back to an important aspect of this bill, namely the sharing of responsibilities. In our opinion, this legislation reflects a firm desire to make this department a tool of promotion, if not propaganda, for Canadian multiculturalism.

As for the management of this new department, I agree with the comments made by the member for Calgary Southeast to the effect that there is no management strategy or plan. However, I would say that the Liberals are "seemingly" giving the Department of Canadian Heritage very extensive powers, and in that sense we have every reason to question the rather mysterious mandate of this new department.

For example, why maintain this artificial sharing of culture and communications technology? This dichotomy was created by the Conservatives with culture and the management of the cultural industry.

The fact is that the Minister of Canadian Heritage is only left with responsibility for cultural content, while the Minister of Industry is responsible for the means of communication. In other words, he is the one who has real control.

Moreover, the Minister of Industry managed to set up a consultative committee on the electronic highway. This is another example of overlapping, duplication and lack of co–ordination within the federal administration itself. The telecommunications and cable television industries are converging on this new department of Industry and this is a source of concern to us because it may have a bearing on the Canadian content, which falls under the jurisdiction of the Minister of Canadian Heritage.

The fact is that real power over Canadian culture is in the hands of the Minister of Industry. Moreover, by granting the CRTC exclusive power to set the rules governing telecommunications in Canada, Ottawa downplays Quebec's interests and puts them on a par with those of the industry and consumer groups, which goes totally against Quebec's traditional claims.

Finally, let us not forget that Quebec was excluded from the broadcasting and cable television sector in 1974, and then the telephony sector in June 1993, at the expense of the CRTC which was granted extensive regulatory powers, thus confirming Ottawa's control over the whole telecommunications industry.

**The Deputy Speaker:** It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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# PRIVATE MEMBERS' BUSINESS

[*English*]

## CITIZENSHIP ACT

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.)** moved that Bill C–249, an act to amend the Citizenship Act (right to citizenship), be read the second time and referred to a committee.

She said: Mr. Speaker, it is a great privilege for me to rise in the House today to speak on behalf of my private member's Bill C–249, an act to amend the Citizenship Act concerning the right to citizenship.

The bill amends the Citizenship Act so that a child who is born in Canada after December 31, 1994 will not have Canadian citizenship if at the time of his birth neither of his parents is a citizen or a permanent resident. However such a child will be granted citizenship when one of his parents becomes a citizen or a permanent resident and an application to that effect is made by the authorized person on behalf of the child.

This matter relates to concerns from my own constituency of Port Moody—Coquitlam and was further underlined in discussion as a member of the citizenship and immigration committee. Current events and policy descriptions made me increasingly aware of the weaknesses of and the necessity for change within the immigration system in Canada. Along with many other Canadians I can no longer passively accept the choices made for us by governments whose agenda for establishing policy in this area is dictated not by the realities of our country but too often by political and special interest agendas.

Canada's immigration and citizenship policies must work for the benefit of both the country and the new Canadian. It is of utmost important that both interests be served. Policies that hurt the country hurt the future of all citizens of that country.

It is from this conviction that Reform's policy springs. In order for the country to best serve the interests of both new Canadians and the Canadian born, the economic needs of the country must be given highest priority when setting targets and policy for immigration. We must come down hard on criminal abuse and put the safety of the Canadian community as the uppermost priority. We must deal with the reality that Canada has one of the most open immigration policies in the western world, in fact all the world, and that very openness has led to some of the worst abuses.

Where does the issue of my private member's bill fit into all this? Because of our open and subsequently abused immigration policy, especially in the area of visitors' visas and refugee claimants, the pride of citizenship in Canada may be the casualty. We have developed a category of citizenship by convenience for those who can easily circumvent the system.

Visitors can take advantage of citizenship of convenience. They can arrive with the sole purpose of having their child born in Canada to have Canadian citizenship. On our present visitor applications no questions are asked about such medical conditions. Visitors can stay in Canada for up to six months and need only legitimize their stay by naming a contact they wish to visit, or even the fact they have travelled before and have not yet visited Canada. There is an agreement that they will not work and must guarantee that they will return to their home country.

• (1735)

The system is established on the basis of trust and honesty and in turn Canada's hospitality has been abused. The possibility for an actual citizenship by birth industry becomes obvious where a fee for service is demanded for accommodations and arrangements for childbirth in Canada.

Under the present rules for a visitor who has a child born in Canada the child automatically becomes a Canadian citizen. Let us take, for example, the issue of the so–called passport babies reported in the Vancouver *Sun* in November 1993. They reported that the number of babies born to non–resident mothers in B.C. has been between 246 and 333 a year for the last three years according to B.C.'s vital statistics division. These numbers may be much higher as they do not take into account those maternity cases that only appear to be resident because of a B.C. address on their hospital records.

The Toronto *Sun* in January of this year reported that there were about 400 such births of non–residents last year in Canada. It reported that immigration officials find the trend disturbing and are now calling for changes to ensure the parent is either a citizen or a landed immigrant. The United States and Britain are clamping down on the practice and are tightening up their citizenship laws. One immigration worker was quoted in the article as saying that it was like buying Canadian citizenship when these mothers came here for the sole purpose of having their children born here.

The potential for abuse is wide open on this issue. It concerns all of us who place pride of ownership in the citizenship we hold so dear. The citizenship of convenience is available to those who are able to afford it by personally paying the cost of $1,500 a day for hospital coverage as well as the cost of staying in Canada for, say, a month previous to the birth. In other words Canadian citizenship can be bought for the price of $30,000. Here is yet another privilege for the wealthy and their provision for the future of their children. Might I add it may not have been such a great coincidence that the first child born in Vancouver in 1994 was to a mother without any permanent status in Canada.

I conducted a telephone poll in my riding of Port Moody—Coquitlam this spring on the issue of whether or not legislation should be introduced. Over two–thirds of the respondents said that the act must be changed to stop this type of abuse and the trivializing of Canadian citizenship.

Why is it important that Canadian citizenship not be given out so freely? Why should those who are born here, regardless of their parents' status or their intention to stay in the country, be deemed Canadian? As I have examined the issue it has become increasingly clear to me that there are very real consequences that relate to the very rights and privileges of citizenship we as Canadians hold dear.

Citizenship should come not only with a list of rights. It should also come with responsibilities which help make us better citizens and our country one of the very best to live in. This sentiment was repeated time and time again in the spring of this year as the citizenship and immigration committee conducted hearings on possible amendments to the act. It was on my initiative that the committee pursued the issue of citizenship of convenience by birth, and the committee unanimously agreed with the proposals.

New Canadians seldom take their place in Canada for granted. The freedoms we enjoy and the wealth and beauty of the land should make us all uniquely proud to be Canadians, but the pride in the land comes from participation and shared responsibilities for the future of our families and our communities.

As another witness so eloquently put it, nationhood is built around shared values, a shared history, indeed a shared commitment to the country. This calls for responsible interaction and a commitment to being in this country. It is a willingness to become part of the community and to be committed to the pursuit of learning together what it takes to make the country great.

In the case of passport babies there is no commitment to the country and there is no fulfilment of the responsibilities of citizenship. There is no growing up in the country or understanding what it takes to be a good citizen. There is no commitment to the country until the child possibly chooses to return at, say, age 18. Is the original motive simply to sponsor their parents when they arrive? The whole essence of the intrinsic value of citizenship is rendered meaningless and in the long term society is not strengthened or furthered in its advancement in terms of the contribution of its members.

• (1740)

Furthermore at any point in time as a citizen that child is entitled, after a minimal residency requirement, to complete medical coverage and full education rights as well as all other Canadian social programs. In the extreme case these children could grow up to a life of crime in their home country and then decide to come to Canada. Because of their birthright citizenship, there would be nothing we could do to prevent them from coming here even though it would be obvious they would not share the values or responsibilities we cherish.

For those whose parents use our freely given citizenship as only a means of security or convenience in the future there is no shared contract or demonstration that they are committed to our country. It is a convenient and easily obtained commodity for the future value it may hold. This is a flagrant abuse of the generous visitor system.

Preservation of the integrity of Canadian citizenship became part of another consideration within the refugee determination system. The complexity of the system in our country has led to abuse by those who make refugee claims as a means of circumventing the immigration system. We have created an inland refugee system in Canada where the process of determining the claim of status can take up to three or four years before a final decision is rendered. During that period life goes on and of course babies are born.

How can a rejected refugee claimant be asked to leave in a final determination when one or two children born here in Canada have citizenship? Those rendering the decision must take into account the fact that the children are Canadian and are entitled to all the accompanying rights and privileges of Canadian citizenship.

Let us examine for a moment the process so we can appreciate the factors that go into the delay that creates the dilemma. First, let us consider a bogus refugee claimant, an individual with absolutely no right to legal status but with intent to use the system. He or she is interviewed by a senior immigration officer to assess grounds for a claim. They are given at least one month to supply supporting data and more time is often requested. Most would have no such original documentation with them so they must create it.

They are also entitled to legal representation. On request legal aid will be provided to them. At that stage those claimants who fall into predefined categories are given an expedited hearing. All applicants are provided with a scenario for the qualifying categories of expedited hearing. The claimants then can tailor their claim according to what the government has given them as an outline.

A full hearing is held for others. There is usually a two to three month wait before the hearing can be convened. To this point the claimant has usually been in Canada for at least six months. The hearing takes place before a two–member board and both must agree on a decision not to grant refugee status, that is only one member must be convinced to grant refugee status.

If the claim is rejected a written statement of reasons must be given and these reasons will be examined by the Federal Court of Appeal. If rejected by the Federal Court there is a further review by the department on humanitarian and compassionate grounds. The entire process can take two, three or even four years.

It is a fact that almost 80 per cent of refugee claimants eventually end up staying in Canada, even though only 35 per cent of claimants fit into the UN definition for convention refugee. Upon inquiry it seems impossible to garner data on how many of the 80 per cent are affected by the added consideration of having had children born in Canada.

It is unfortunate there are those who choose to abuse the very system designed to protect them. The vast majority of visitors and refugee applications are not seeking to use the present rules to their own end. The bill fully recognizes the need for provision for children born to bona fide participants in the due process of our refugee system. They will be fully recognized as citizens upon application after their parents have obtained their permanent status.

One consideration remains to be addressed. Some accommodation in law, perhaps through a simple amendment to the bill, is necessary to avoid a condition of statelessness for those born on Canadian soil. In conclusion, the present system that grants automatic citizenship to all those born in Canada regardless of their parents' residency status invites the intentional abuse of a shrinking and unpredictable world.

• (1745 )

Immigration should provide access to those who choose to strengthen the fabric of their new home. The value of our citizenship and the value of our great country will be the sum of the values and the sense of belonging of its proud and prosperous people.

The practice of citizenship of convenience of birth must be addressed by this House. To thus raise the integrity of our citizenship process is to impute added pride and purpose to all Canadians, past, present and future.

**The Deputy Speaker:** The hon. member for Port Moody—Coquitlam indicated before the debate began that she wished to share her time. Approximately seven minutes remain in the hon. member's time but I do not see the member who was going to share this time with her. Shall the Chair assume the time is not going to be shared?

Very well, the hon. member for Mission—Coquitlam has roughly eight minutes.

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, I might ask you to help me out a little and let me known when my conclusion time approaches so I can maybe finish the sentence I am speaking.

I rise today to speak in support of my friend's private member's bill which deals with the growing problem of people coming to Canada just in time to give birth, their babies therefore gaining Canadian citizenship.

This bill would eliminate the conferring of Canadian citizenship on the baby unless one of the parents became a Canadian citizen or a permanent resident of Canada and an application is made on behalf of the child for it to become a citizen. The automatic conferring of citizenship would cease.

When I first was made aware of the situation of people coming to Canada to occupy our maternity wards to have children and then go back to their country of origin, I thought this to be an unusual state of affairs. It could be argued that Canadians should be flattered that people from other countries thinking so highly of Canada and the benefits which flow from Canadian citizenship that they will actually come to Canada to give birth.

As well, I understand that in the majority of cases people who are doing this pay for the medical care they receive. Therefore, what is the harm? The health care system is compensated. We should be flattered that people from around the world want to give their babies Canadian citizenship. It is difficult to argue that this is a method to ensure that 18 years hence the child will sponsor his or her parents into Canada as immigrants because the child, now 18, is a Canadian citizen.

I suppose there is a good chance this would eventually happen. I do not think this is the most grievous flow with the act as it is presently written. The Citizenship Act should be changed to that this practice of using Canada as a birth place of convenience stops. This practice should stop because to continue it is to make a mockery of the system we presently have in place by which people become Canadian citizens.

People come to Canada from all over the world. They come here for many reasons, but for the vast majority they come because Canada is a land of opportunity, a land of fairness and equality, a land where all are to be treated alike.

If this is true, and I believe it is, how do we reconcile the complicated procedure which immigrants and refugees have to go through to become Canadian citizens with the fact that a mother can come here for a few days, have a baby which automatically assumes Canadian citizenship and then leave? To my mind these two procedures cannot be reconciled and the latter must be eliminated.

Those who make a conscience decision to come to Canada and then to apply for Canadian citizenship do so because they have certain expectations about citizenship, what it is, what it means and what flows from it. These people understood what it means to be a Canadian citizen. They each must take an active part in building this country we all share.

A sense of being Canadian is something that can take time to develop. It means being part of a large family and as such it means assertion of certain rights and responsibilities that are based on our traditions and shared values.

Under the charter of rights there are certain guarantees that all Canadian citizens have: the right to vote in the 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 education rights.

Canadians also have other rights as citizens. They may have a Canadian passport. They may be considered first for some jobs. Along with these rights come responsibilities to strengthen our communities, participate in a political process, obey Canada's laws, eliminate discrimination and injustice, respect the rights of others, respect private and public property, care for Canada's heritage and support Canada's ideals.

• (1750)

Canadian citizenship today is I believe about all of us as citizens participating fully and equally in our national life. It is about promoting our national symbols and values and building a Canada where all of us can feel at home.

It is my belief that those who practice active citizenship strengthen our democracy, our national identity and our sense of responsibility for Canada, strengthen our relations with another, improve the quality of our institutions, help us deal with society's problems.

The oath of Canadian citizenship is taken by many people every year. It is a solemn declaration which places responsibilities on the person who takes it. It can only be taken after the applicant meets the following standards: is at least 18 years old, is lawfully admitted to Canada for permanent residence, has

lived in Canada for a total of three years in the four years immediately before applying for citizenship, can speak one of Canada's official languages, has enough knowledge about Canada including the rights and responsibilities of citizenship, is not under deportation order or in prison, has not been convicted of an indictable offence within the last three years and is not considered a threat to the security of Canada.

Even after meeting these standards, an interview must be held by a citizen court judge. I therefore urge all members of the House to support the bill to end the standard by which citizenship is dealt with in Canada.

Citizenship in my opinion should be used as a vehicle to promote an active critical participation in public affairs on the part of Canadians. Passage of this bill will show the world how seriously we value Canadian citizenship and all the benefits that flow therefrom.

**Mr. Pat O'Brien (London—Middlesex, Lib.):** Mr. Speaker, I regard this private members' bill as a very serious bill and one on which I am very pleased to speak.

Yet I cannot help feel that I have heard from Cassandra's prophets of doom and gloom who see conspiracies under every bush. One would swear that our shores are about to be invaded by pregnant women, plotting to have their babies on Canadian soil so that these cunning infants can somehow steal their Canadian citizenship and thereby threaten our national security.

It is really surprising to hear what I regarded as a very serious private members' bill treated so flippantly and lightly. I am surprised at that and I am really disappointed. I just hope that this invasion is not imminent of these pregnant women.

During the election campaign our government called on Canadians to examine our policies in the red book, to look at what we consider to be our priorities and commitments as a party. They responded rather clearly coast to coast to coast in the endorsement that they gave to this party.

The Reform Party members opposite who are interrupting and do not want to hear this, that is fine but Canadians are looking for that new decorum they speak of and it is interesting that it does not apply when they are hearing ideas with which they disagree.

Be that as it may, we acknowledge the importance of building a nation in which citizens view themselves not as isolated individuals or rival interest groups but rather as a mutually supporting community. Fundamental to such a vision is the need to build a Canada based on mutually held privileges and obligations.

It is difficult to promote the acquisition of Canadian citizenship without conveying a sense of the fundamental values that are inherent in that commitment.

At the present time our security is undergoing fundamental changes, serious changes. Canada is confronted with a variety of economic, cultural and social challenges and one of them is not this perceived invasion by pregnant women to have their babies on our shores.

We are faced with a serious need to integrate a population that is more culturally diverse than ever before into a society that is more complex than ever before.

As I said earlier today in this House, Canada is more than ever a polyglot nation. We draw from virtually every single culture in the world. The members on this side and the majority of Canadians regard that as one of our fundamental strengths, regard that as what it means to be Canadians, the essence of the Canadian identity.

It is not something to be feared, not something to be cut down and sliced down into a much more limited vision of what it means to be Canadian.

• (1755)

We need to develop a clearer sense about what we can expect from our new citizens and what this nation has to offer. To achieve this we need new citizenship legislation. We agree with that. We need a new Citizenship Act that will reflect the times.

Within the year this government will introduce new comprehensive citizenship legislation. It will provide a blueprint for Canadian society as we enter the 21st century.

I agree with the hon. member that Canadian citizenship is precious but it is not something to be hoarded and hidden away in some sort of xenophobic fear of those people who want to come here from these other countries.

It is something that should never be taken for granted. Citizenship encompasses civic rights, duties and responsibilities. It means defining the principles underlying our citizenship and democracy, including equality of opportunity, informed participation, respect for the Canadian rule of law, non–violence and mutual respect.

Such a vital issue is not something to be tinkered with lightly. Frankly I fear that the member for Port Moody—Coquitlam is doing that. The hon. member spoke about not trivializing Canadian citizenship. Then I heard and could not believe the latitude that was taken in the remarks she made and the litany about the perceived refugee problems. I think we ought to be very careful not to lump in problems real or perceived around the issue of refugees with citizenship and granting citizenship to new–born babies. I was frankly surprised to hear those remarks.

One cannot and should not make changes to citizenship lightly in a bit by bit, chip away at it fashion. It is much too important to be done in that manner.

It would be premature in my view if not irresponsible for this House to pursue in isolation just one small aspect of the citizenship question at this time. It would seem that there are members in this House, thankfully not on this side, who are obsessed with these perceived problems, almost seeming to me at times to border on xenophobic fear of people coming here from other nations. I am surprised to hear that.

Despite the protests from the members opposite at this time I am very surprised to hear this initiative repeated time and again. Our government has undertaken a review process which will help us to create stronger, better and more efficient citizenship legislation. A new bill will soon be tabled.

I accept the fact that the member for Port Moody—Coquitlam probably means well in her initiative but it is at the wrong time, it is far too small in its scope and it is simply something that needs to be done in a more comprehensive way.

When this occurs the appropriate time will come to address this issue more fully in what I say must be a comprehensive, responsible manner.

[*Translation*]

**Mr. Osvaldo Nunez (Bourassa, BQ):** Mr. Speaker, I rise today to take part in this debate on Private Member's Bill C–249 to amend the Citizenship Act. The motion tabled on May 11, 1994, by the hon. member for Port Moody—Coquitlam will ensure that a child born in Canada after December 31, 1994, will not have Canadian citizenship if, at the time of his birth, neither of his parents is a citizen or a permanent resident.

This issue was barely touched on in the consultation process carried out by the Standing Committee on Citizenship and Immigration in June. At present, the Citizenship Act states that every person who is born in Canada is a citizen, except children of foreign diplomats and diplomatic staff. The existing Citizenship Act is 20 years old. It was not until November 1993 that the daily newspaper *Vancouver Sun* came up with figures on the number of children born in Canada to parents who were not permanent residents.

• (1800)

No scientific study has been carried out on the issue yet. The story was based on information provided by nurses at Saint–Paul Hospital in Vancouver. It was reported that the majority of these children were born to parents originally from Hong Kong who wanted to become Canadian citizens. There was a lot of controversy about this news story in the Vancouver Chinese community, but community leaders dismissed the issue as a minor problem.

A Citizenship and Immigration official vaguely mentioned something about some 400 children having been born to foreign nationals in Canada in 1993 and not all of these births being used to secure a Canadian passport.

The Department of Citizenship and Immigration does not have any statistics on Canadian–born children whose parents are not citizens or residents of Canada. There is a very simple reason for that: birth registration is a provincial responsibility. The federal government has no authority in this area.

Is the bill proposed by the Reform Party based on exact figures showing a large–scale conspiracy from abroad, an endless flow of foreigners knowingly taking advantage of the Canadian government? Some parents are here legally, like students, temporary workers or refugee claimants.

[*English*]

Clearly the situation is not serious enough to call for radical changes to the law at this time. The motion aims at creating a new category of people living in Canada. Children born after December 31, 1994 whose parents are neither Canadian citizens nor permanent residents would not be given automatic citizenship.

[*Translation*]

One of the principles behind the Citizenship Act is that of *jus soli* or law of the soil. This fundamental principle is applied by most countries. The motion put forward by the hon. member for Port Moody—Coquitlam rejects the territorial principle out of hand.

In my opinion, this bill reflects the biased feeling that immigrants abuse the system. However, it must be pointed out that Canadian–born children will grow up as Canadians and will not need language training or other reception services involving government expenditures. They will integrate more easily into the Quebec or Canadian community.

If this bill is adopted in its present form, a child born in Canada may run the risk of becoming stateless. According to article 3 of the Declaration of the Rights of the Child, proclaimed by the UN General Assembly on November 20, 1959, the child is entitled, from birth, to a name and a nationality. I stress the word nationality.

This motion will create a legal vacuum for these children. And this is supposed to be the International Year of the Family!

We know that visa officers in this country and in various Canadian embassies are very reluctant to issue tourist visas to pregnant women. So there are really no figures to support allegations of abuse in this respect.

I agree with the previous speaker who said there had been no invasions of pregnant women in Canada.

• (1805)

[*English*]

The declaration of the rights of the child signed by Canada stipulates that children are in need of special protection and care, especially appropriate legal protection before and after birth. This country owes to our children the very best we can offer.

[*Translation*]

Governments must recognize these rights and ensure they are observed by passing the appropriate legislation. These rights shall apply to all children without exception and without distinction or discrimination on the basis of race, colour, sex, language, religion, political or other opinions, national or social origin, income, birth or any other situation, whether it applies to the child itself or to its family. The child must grow up in an atmosphere of love and moral and material security.

The figures we have so far on children of non–residents born in Canada are very tentative and there have been no major problems. If there is any abuse, it is certainly minimal.

In any case, we will wait for the text of the bill to amend the present Citizenship Act which the minister has promised to table this fall, before we make a definitive statement. For the time being, I am against Bill C–249.

[*English*]

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, I am pleased to stand here and speak to Bill C–249 from my colleague on the other side of the House, the member for Port Moody—Coquitlam.

In doing my research starting yesterday in preparing myself to speak to this today at first blush I thought the bill had merit but on getting deeper into the subject material I discovered that it probably was premature. The bill before us today represents a very small fraction of a much larger debate concerning the direction which Canadian citizenship will take in the future.

Bill C–249 does draw our attention to the important citizenship questions which will be coming into play in the coming months and I agree there is a need for change in the way that Canada addresses its citizenship issues.

It is unfortunate that Bill C–249 does present an ad hoc approach to dealing with citizenship issues. Something as important as changes to the citizenship act should not be tinkered with one small piece at a time.

In April this government committed itself to the development of a new citizenship act. We recognize the need to amend the current legislation and we recognize that we must remove anomalies in access to citizenship and to reinforce citizenship integrity. Right now the key to reinforcing this integrity lies not in the introduction of an individual specific legislation, it rests in the development of a broad citizenship strategy. We must have a clear sense of the direction we wish to take before we can even begin discussing the specifics.

We must develop a plan which reflects the will of the people. It must also encourage those seeking Canadian citizenship to obtain a knowledge of and commitment to this country. It must call for new citizens to become actively involved in community life. This is the essence of the government's approach. Yes, it will be a complicated process. It is a process we have already started and is one we are committed to seeing through.

A standing committee was formed in April to review ideas which would enhance the visibility and value of our citizenship. This group tabled its findings in June. I might add that the member for Port Moody—Coquitlam was a member of the standing committee that did produce the report "Canadian Citizenship: A Sense of Belonging".

The report on page 17 does state that it appears some women may be coming to Canada as visitors solely for the purpose of having their babies. However, the committee recognized that it was a very small problem and that children born in Canada should not automatically become permanent residents. In so concluding the committee considered testimony of those who supported this position.

• (1810)

In this same report there are 28 recommendations of changes to the citizenship act. Of the 28 the one the member for Port Moody—Coquitlam mentions is number 12. It is one of the 28 recommendations in this booklet. The minister I believe will be tabling a new citizenship act in the new year and I think all of those 28 recommendations can be addressed and spoken to. It certainly will come before the Standing Committee on Citizenship and Immigration at that time. This is probably when I changed my mind in that I think it is a bit of ad hockery to be dealing with this one particular aspect of this report.

These recommendations by no means stand alone forever. Ten months ago the Department of Citizenship and Immigration launched a process of consultation with Canadians. From February to September in town hall meetings and study groups thousands of Canadians told the government what they thought. More than 10,000 Canadians from communities across the country and from all sectors of the economy and society expressed their views on the important bonds between citizenship and immigration and how these values linked to form their visions of Canada in the next century.

We have heard from Canadians and we have already taken action. These consultations have been invaluable for several reasons. First, they have let us know how the Canadian people feel. Second and just as important, the consultations have prompted Canadians to reflect on their hopes and dreams concerning what it means to live in this great nation.

The government's citizenship legislation will seek to achieve a range of goals. It will strive to promote among all Canadians the exercise of civic rights by strengthening citizenship education and promotion. We must consider the mutual privileges and obligations ingrained in the relationship between Canadian citizens and our society.

A new citizenship act will also modernize the technical apparatus presently in use. Too many people who are currently entitled to become citizens and desperately want to are delayed by an administrative system which has become cumbersome and awkward. There are blockages in the system. There must be a better way.

Through consultation and thoughtful action we will find it. The minister has already decided that the new system will no longer include citizenship court judges. This duty will in future be performed by distinguished Canadians drawn from the ranks of the Order of Canada.

The issues discussed in Bill C–249 are important, far too important to be dealt with on such a basis. The standing committee has addressed the subject before us today. Recommendations have been made, but it would be premature to cut off one issue from the body of work done until it can be properly placed within the context of a comprehensive citizenship plan. Such a plan is being developed. Let us have the good sense to wait for it.

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, as the Reform Party's critic for citizenship and immigration I am very pleased to support the member for Port Moody—Coquitlam and her proposed changes to the citizenship act in Bill C–249.

I would like to begin by saying that this bill was tabled on May 4 of this year, almost two months before the committee's report was produced. When the Standing Committee on Citizenship and Immigration was formed it was given five general goals to accomplish. Among them was the goal to find ways to enhance the value and visibility of Canadian citizenship.

During the committee's proceedings members of Parliament were told many times that the value of Canadian citizenship has become trivialized. As one witness said, to be a citizen of this wonderful country all you had to do was pass the tests, pay the taxes and that is it. Others expressed concerns over how Canadian citizenship has become little more than a convenient commodity for foreigners or an insurance policy that can be cashed in during times of trouble.

The committee heard stories of women coming to Canada for the sole reason of having their babies here. Under current Canadian law any child born in Canada is automatically granted Canadian citizenship without question. It would appear that the word has spread around the world about this Canadian generosity.

• (1815)

According to recent *Vancouver Sun* reports, upwards of 300 babies a year or more have been born in British Columbia over the past three years to non–residents. That is over 900 children in British Columbia alone. Some of these births were of course the result of unusual circumstances.

Hospital staff claim however that the vast majority of these babies were born to Hong Kong residents hoping to either queue hop into Canada or at the very least offer their child or themselves an insurance policy in case the transfer of Hong Kong from British to Chinese rule does not proceed smoothly.

In time these so called passport babies will be eligible for all the benefits that Canadian society has to offer: subsidized college and university schooling, access to social programs, job training programs, old age security, and on and on. All of this for people who may not have a single connection to this country aside from a piece of paper saying they were born in Canada.

As well, at the age of 19 these children will be able to sponsor their own parents into Canada even though the children themselves have spent little or no time in this country. This in my opinion amounts to little more than an insurance policy for the parents involved and makes a mockery of our citizenship.

I admit that the passport babies issue is a minor one, especially when compared to other issues in the Citizenship and Immigration portfolio. It is however an obvious loophole that is being abused and therefore must be closed.

I believe the member for Port Moody—Coquitlam has struck an excellent balance between taking a firm stand against abusers of the system and showing compassion for newborn children. She advocates that a child born in Canada will only be granted Canadian citizenship if at least one parent is either a permanent resident of this country or a Canadian citizen.

Parents such as these have clearly shown a commitment to Canada by becoming residents or citizens and should therefore be rewarded for this commitment by granting their children all the rights and privileges that come with citizenship.

Children born in Canada to refugee claimants will automatically receive their Canadian citizenship as soon as at least one of the parents becomes a permanent resident or a citizen. On the other hand passport babies will be required to take on the citizenship of their parents.

This bill if passed by Parliament will in my view have a two–sided effect. First, it will send a clear message to the rest of the world that Canada places a high value on its citizenship. For a newborn child to become a citizen, the family must show a strong commitment to Canada by striving to become residents or citizens. Such a commitment will be too strong for some and

will end both the flow of passport babies and the pursuit of Canadian citizenship to act as a child's or parent's personal insurance policy.

Second, it will send a clear message to Canadians that the federal government values citizenship and takes a firm stand on who can acquire it. Fewer Canadians than ever before I feel are viewing their citizenship as a valuable commodity.

The words Canadian citizen have been devalued because of many stories like this one of the passport babies and the flagrant abuse of citizenship requirements. This amendment would be a first step in restoring the value of citizenship to those who cherish it most, that is Canadians.

In closing, I wish to point out the consensus that I feel Bill C–249 holds within this House. The standing committee made these very same recommendations four months ago in its report "Canadian Citizenship, A Sense of Belonging". This report authored by an all–party committee unanimously recommended:

"Children born in Canada should be Canadian citizens only if one or both of their parents is a permanent resident or a Canadian citizen. Children born to a parent who has been recognized as a convention refugee or to a parent who is a refugee claimant subsequently recognized as a convention refugee by the Immigration and Refugee Board should automatically gain Canadian citizenship".

I must emphasize that these very recommendations were both endorsed by all members of the committee, Liberals, Reformers and members of the Bloc Quebecois, and are here in black and white in Bill C–249.

• (1820)

Clearly the member for Port Moody—Coquitlam in drafting this bill has reflected the concerns held by Canadians as well as the thoughts and intents of the standing committee. I call on my fellow members of this House to listen to the Canadian people, set aside their partisan differences and support these very important amendments to the Citizenship Act.

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Mr. Speaker, it is my pleasure to address this House regarding Bill C–249, an act to amend the Citizenship Act, proposed by the hon. member for Port Moody—Coquitlam.

We have before us the opportunity to address the process by which we confer citizenship upon new Canadians. Prior to addressing the specifics of the bill, I would like to speak briefly about the importance of the citizenship process. The integrity of this process must be protected because, as all members in this House are aware, it is considered a great honour to be a Canadian citizen. Canadian citizenship is renowned and respected worldwide. In this regard we are admired for our tolerance and our fairness.

Despite this, we do have an understanding that there is a need for a reform of our Citizenship Act. The Minister of Citizenship and Immigration indicated on April 14 in this House that the time had come to introduce amendments to the 20–year old act:

> We need a Citizenship Act that also ensures fairness and integrity, one that removes certain discriminatory aspects of current legislation, eliminates inconsistencies in the granting of Canadian citizenship and improves the process of acquiring that citizenship.

To attain this goal important steps have been taken such as the elimination of the role of citizenship judges and the introduction of significant administrative and regulatory changes aiming to expedite the process more efficiently such as increasing the daily number of hearings, establishing group hearings, extending business hours, et cetera. The termination of partisan judicial appointments was especially supported by many Canadians.

At the same time the minister also requested the standing committee to study our Citizenship Act and provide recommendations for improvements. Shortly thereafter in June the committee released its report entitled "Canadian Citizenship: A Sense of Belonging" which presented a series of recommendations.

Of particular relevance to the private member's bill up for debate today are three recommendations which have already been referred to, but I would like to paraphrase them. Children born in Canada should be Canadian citizens only if one or both of their parents is a permanent resident or Canadian citizen. Second, the provision should be made to ensure the above rule need not apply if its application could cause a person born in Canada to be stateless. Third, an exception to the first rule should provide that children born to a parent who is a successful refugee claimant should automatically gain Canadian citizenship.

In light of the above recommendations I feel compelled to point out some serious deficiencies in Bill C–249, the private member's bill being debated today. Although the basic principal of this bill has been agreed upon by the committee, the bill remains quite incomplete in that it has not addressed the latter two recommendations which I have just alluded to. Moreover, the danger exists that this bill can be employed as a vehicle for inciting unwarranted fear among Canadians by exaggerating statistically negligible abuses of the Canadian citizenship process.

A relevant example in this respect involved cases of foreign mothers, be they visitors or refugee claimants, who give birth to children on Canadian soil for the express purpose of attaining Canadian citizenship for their children. I should point out that I have been informed by the Department of Citizenship and

Immigration there is no evidence to indicate we have a significant problem to this end as claimed by the Reform Party.

The committee concluded in this regard indicating in their report that passport babies, as this phenomena is affectionately referred to, does not appear to be a major problem. Nonetheless, the committee provided recommendations designed to prevent the possibility for abuse.

• (1825)

We should all be very clear in this respect. The committee did by no means imply that a problem of any significance existed when it provided suggestions on how we might prevent the possibility of abuse. As such I caution members across the way that it is terribly irresponsible to initiate unwarranted anxieties based upon unsubstantiated claims.

Some members of the House appear prone to taking advantage of occasional and statistically insignificant occurrences and blowing them out of proportion to advance a political agenda. We have seen this many times.

As I alluded to earlier the member's bill is suspect in that it is incomplete. It appears to address a simple problem with a common sense solution. However we live in a complex work in which situations are precipitated by not one factor but often myriad variables which may not at first glance be readily apparent. Most problems require thoughtful and careful analysis and sometimes demand complex solutions to yield optimal and fair outcomes.

The bill is not well rounded nor fair because it has not considered certain scenarios. Although reflecting the essence of the committee's first recommendation found on page 17 of the committee's report, the bill fails to take into consideration the two accompanying recommendations which provide important exceptions to the first rule.

Let me elaborate in this regard. It would be ruthless and uncompassionate to deny children Canadian citizenship if they could not be granted citizenship from another country. We could not leave children in a predicament such that they would remain stateless. I am appalled that the member did not see fit to include this reasonable exception.

Furthermore, regardless of the hon. member's stated intent, the bill indicates very clearly or in no uncertain terms that the children of foreign mothers might gain citizenship only after one of the child's parents became permanent residents or citizens.

This poses a serious problem given that it does not take into account the case of successful refugee claimants who do not choose to seek permanent resident status or citizenship. Because accepted refugee claimants are not obliged to seek permanent residents or citizenship, the possibility exists that their children would for all intents and purposes be denied citizenship.

I was most disappointed to note that there was absolutely no reference to the above two exceptions in the member's bill. I am confident that had a careful and indepth analysis been conducted the contents of the bill would have been more complete and comprehensive.

Without an acknowledgement of these exceptions outlined by the committee, the essence of the hon. member's bill is rendered unfair and our citizenship process rendered incomplete. This is simply not the Canadian way.

In conclusion, Bill C–249, although commensurate with the general essence of the first recommendation on page 17 of the standing committee's report, remains incomplete to the point where it would render the citizenship process unjust and exclusionary. For the above reasons the amendment should be exposed for what it is, a vehicle for partisan gerrymandering.

On the bright side, in the near future the House can expect a comprehensive and fair reform of the Citizenship Act. I am confident that the revised act will prove well balanced and will seriously consider the recommendations presented in the June report of the standing committee.

In the meantime the Reform Party would better serve the interests of Canadians by contributing in a positive manner to the citizen reform process rather than dwell upon the—

[*Translation*]

**The Deputy Speaker:** Order. The hour provided 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.

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## ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### VETERANS AFFAIRS

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, on July 10, I asked the Minister for National Defence and Veterans Affairs if he recognized that additional changes were needed to Bill C–84 and, if so, would he put these changes on the legislative agenda now as time for our merchant navy war veterans is running out. He stated that the Department of Veterans Affairs was working on reforms that would speed up the processing of veterans' claims. I agree with this. However it is not the only thing that the merchant navy war veterans require.

• (1830)

Bill C–84 is a complex bill which amends various war pension acts. By rejecting the principle of equality with war veterans, veterans affairs locked the merchant navy under a civilian act instead of including it under an amended War Veterans Allowance Act.

One solution to the inequities of Bill C–84 is a simple amendment to include the wartime merchant navy in the War Veterans Allowance Act.

The government has said that Bill C–84 is a good bill. I say it is a start. Some merchant seamen and their families are receiving some benefits and that is a positive step in the right direction. Unfortunately it is not as inclusive as it should be.

Bill C–84 is not satisfactory as it does not extend full veterans status to merchant navy veterans. Nor does it provide equal status to the full range of health, disability and income support benefits by the department.

This past March the deputy minister of Veterans Affairs who was involved in the 1992 act admitted at a House of Commons committee hearing that the act was not perfect and contradicted himself by saying he did not see a need for major change. As well, last Friday the Secretary of State for Veterans stated on a CBC program that all merchant navy veterans qualify for all veterans benefits, but this is not so.

After 50 years the present labour government in Australia has granted merchant mariners full benefits under its Veterans Entitlements Act. In granting them full benefits and equality the government has fully recognized the contribution merchant seafarers made in the defence of their country.

During the war Canadian merchant ships carried essential war materials needed for the war effort to succeed. The merchant navy was a constant target for German surface raiders and U–boats. It is no small wonder why they had the highest casualty ratio of any of the services with one seaman in ten being killed.

The current Deputy Prime Minister last week stated that Canada's merchant navy made the seas wholesome once again and kept open the gates of freedom.

After the war merchant navy veterans were officially civilians. They were not eligible for veterans benefits. We as a country have recognized the injustices against our merchant navy seamen and women. Why have we not compensated them adequately?

Last week the government moved closer to recognizing the war efforts of the merchant navy. First was the dedication of the *Book of Remembrance for the Merchant Navy War Dead.* The book is a lovely symbol of remembrance for the over 2,200 merchant navy seamen who died in both world wars. Second was the participation of the merchant navy war veterans in the vice regal wreath laying ceremony which was agreed to by the legion.

The number of surviving merchant seamen and women is about 3,200 and their average age is 74 years. All they are seeking is equal status, treatment and access to benefits.

I am asking the Secretary of State for Veterans to start the changes to the legislation now so it can be put on the legislative agenda before it is too late. Time for our merchant navy veterans is running out. Let us once and for all fully recognize the merchant navy as the fourth arm of the armed services.

It is my hope that the parliamentary secretary will not just deal with the issue of pension reform which the Minister of National Defence addressed in his first answer. I am asking if he acknowledges that changes are necessary to Bill C–84 and, if not, why not and, if so, when will the reforms be initiated.

**Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I thank the hon. member for outlining the alleged shortcomings of the previous government's legislation. Perhaps to complete the irony in that remark, this government will certainly consider correcting any legal or technical flaws in the legislation.

I have personal knowledge of this subject because I was a member of the standing committee that fought for and won these benefits for merchant seamen. The real point is that the legislation is succeeding in doing what it was intended to do. Merchant navy veterans have the same access to veterans benefits as their military counterparts. They are eligible for disability pensions, war veterans allowance, the veterans independence program, long term care and veterans funeral and burial grants.

There is no veterans program currently available to military veterans that is not also available to merchant navy veterans.

Listening to the hon. member for Saint John this House would wonder if merchant navy veterans are receiving anything. They certainly are receiving all the benefits. In fact an estimated 2,000 merchant navy veterans and their dependants are receiving veterans benefits and that is certainly a long way from the theme suggested by the hon. member.

Having said that, the merchant navy representatives have identified several areas where they believe that legislation could be improved. The Secretary of State for Veterans met with the groups involved and their proposals are presently under review.

From this review changes with respect to the merchant navy veterans benefits will take the form of amendments that would be considered for inclusion in a general housekeeping bill. That kind of bill is put forward from time to time to modernize language and to address technical matters.

The merchant navy representatives at this meeting were also asked to bring to the secretary's immediate attention any specific case where it appeared that benefits were being denied because of a shortcoming in the legislation. May I conclude by extending to the hon. member the same invitation. I thank her for her question.

**The Deputy Speaker:** Under Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. under Standing Order 24(1).

(The House adjourned at 6.36 p.m.)

# HOUSE OF COMMONS

**Thursday, November 17, 1994**

The House met at 10 a.m.

*Prayers*

## ROUTINE PROCEEDINGS

[*English*]

### GOVERNMENT RESPONSE TO PETITIONS

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

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### COMMITTEES OF THE HOUSE

ABORIGINAL AFFAIRS

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, pursuant to Standing Order 109, I have the honour to table, in both official languages, the government's response to the fifth report of the Standing Committee on Aboriginal Affairs.

PUBLIC ACCOUNTS

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I am pleased to table, in both official languages, the government's response to the fifth report of the Standing Committee on Public Accounts.

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### CANADA COMMUNICATION GROUP

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, as was promised to the House on September 19, I wish to table at this time a summary report on the investigation of advance payments for internal government contractual arrangements with respect to the Canada Communication Group and Consulting and Audit Canada. This report is in both official languages.

• (1005)

### STATISTICS CANADA

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I wish to table, in both official languages, a summary report of the investigation of advance payments for internal government contractual arrangements with regard to advance payments to Statistics Canada.

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### SUPPLEMENTARY ESTIMATES (C), 1994–95

A message from His Excellency the Governor General transmitting supplementary estimates (C) for the financial year ending March 31, 1995, was presented by the President of the Treasury Board and read by the Speaker to the House.

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I am pleased to table, in both official languages, supplementary estimates (C).

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### COMMITTEES OF THE HOUSE

NATURAL RESOURCES

**Mr. Robert D. Nault (Kenora—Rainy River, Lib.):** Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Natural Resources regarding Bill C–48, an act to establish a Department of Natural Resources and to amend related acts.

GOVERNMENT OPERATIONS

**Mr. John Harvard (Winnipeg St. James, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the report of the Standing Committee on Government Operations on Bill C–52, an act to establish the Department of Public Works and Government Services and to amend and repeal certain acts, with an amendment.

PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have the honour to table, in both official languages, the 48th report of the Standing Committee on Procedure and House Affairs concerning membership of committees.

If the House gives its consent, I intend to move concurrence in this report later this day.

* * *

## STATUTORY PROGRAM EVALUATION ACT

**Mr. John Williams (St. Albert, Ref.)** moved for leave to introduce Bill C–289, an act to provide for evaluations of statutory programs.

• (1010)

He said: Mr. Speaker, I rise today to introduce my private member's bill, the short title of which is the Statutory Program Evaluation Act. This bill will establish a process whereby all statutory program spending is reviewed by Parliament on a cyclical basis.

In his 1993 report, the Auditor General stated that some 70 per cent of all government spending is now statutory spending. Spending is not reviewed or even voted on by Parliament once the original bill is enacted. It has been many a long year since Parliament voted on some statutory programs, spending millions of dollars annually.

I believe this bill has significance in that it will turn the tide of authority which has been flowing from Parliament to government and cabinet back to the elected representatives and Parliament.

Spending without review or analysis is clearly unacceptable in these times of burgeoning debt. The Statutory Program Evaluation Act would cause the examination of all program spending based on the following objective criteria. First, is the program still required, is it relevant, or are we just spending money by virtue of habit? Second, is the program effective in meeting its objectives or are we spending money with the greatest of intentions but missing the mark? Third, is the program being delivered efficiently knowing that our resources are limited and that our taxpayers deserve good management? Fourth, can the purposes of the program be better achieved through different means?

The Auditor General stated that the program evaluation act has great potential to save millions of dollars and I call on my colleagues to support the bill.

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

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## SUPPLEMENTARY ESTIMATES (C)

REFERENCE TO STANDING COMMITTEE

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I would like to move, pursuant to the provisions of Standing Order 81(5) and Standing Order 81(6):

> That supplementary estimates (C) for the fiscal year ending March 31, 1995 laid upon the table this day be referred to the Standing Committee on Finance.

(Motion agreed to.)

* * *

[*Translation*]

## COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, with the consent of the House, I move, that the 48th report of the Standing Committee on Procedure and House Affairs, tabled today, be concurred in.

(Motion agreed to.)

* * *

[*English*]

## VIOLENCE

**Mr. Svend J. Robinson (Burnaby—Kingsway, NDP):** Mr. Speaker, following consultation with representatives of the parties, I seek leave at this time to move a motion, of which I gave notice yesterday. I seek unanimous consent to move the following motion:

> That this House strongly condemn the recent shooting of Vancouver, B.C. doctor, Gary Romalis, extend its wishes for a full and speedy recovery to Dr. Romalis, and urge the appropriate authorities to take all necessary steps to prevent violence directed at those providing legal medical procedures in Canada.

Mr. Speaker, if there is unanimous consent to put the motion I would briefly clarify the purpose of it.

**The Speaker:** Is there unanimous consent?

**Some hon. members:** No.

**The Speaker:** There is not unanimous consent.

* * *

• (1015)

## PETITIONS

HUMAN RIGHTS

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, I have the honour to table a petition containing approximately 170 signatures which was conveyed to me from my riding of Cambridge.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality.

ASSISTED SUICIDE

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, pursuant to Standing Order 36 I wish to present two petitions.

The first is signed by 665 constituents praying that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, the second petition is signed by 1,146 constituents. Pursuant to Standing Order 36 I present it to the House. It states that your petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

GUN CONTROL

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, today I have a petition signed by 158 constituents of the riding of Okanagan—Similkameen—Merritt. The number of people who are opposed to additional legislation for gun control is growing.

The petitioners are calling on the House assembled to oppose further legislation for firearms acquisition and possession and to further provide strict guidelines and mandatory sentencing for the use or possession of a firearm in the commission of a violent crime. I agree with my petitioners.

ASSISTED SUICIDE

**Mr. Svend J. Robinson (Burnaby—Kingsway, NDP):** Mr. Speaker, I have the honour to table petitions signed by many residents of my constituency of Burnaby—Kingsway who draw to the attention of the House the fact that the current provisions of the Criminal Code deny people who are suffering from terminal or irreversible and debilitating illness the right to choose freely and voluntarily to end their lives with the assistance of a physician.

Therefore the petitioners call upon Parliament to amend the code to ensure the right of all Canadians to die with dignity by allowing people with terminal or irreversible and debilitating illness the right to the assistance of a physician in ending their lives at a time of their choice subject to strict safeguards to prevent abuse and to ensure that the decision is free, informed, competent and voluntary.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I rise under Standing Order 36 to present a petition to the House. The petitioners are from my riding of Mississauga South. They pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I have three petitions here today that I would like to present. The first calls upon Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, the second petition is concerned with the sanctity of life. The petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings. I share the concerns about the fact that there is no such law in Canada right now.

HUMAN RIGHTS

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** The third petition, Mr. Speaker, is that the petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation. I agree with these petitioners.

• (1020)

ASSISTED SUICIDE

**Mr. Jesse Flis (Parkdale—High Park, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I too have the honour of presenting a petition on behalf of Canadians who respect the sanctity of human life. The petitioners request that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and, that Parliament make no change in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia. I add my support to these petitions.

RIGHTS OF THE UNBORN

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, pursuant to Standing Order 36 I am honoured to present a petition on behalf of 48 Albertans, many of whom are my constituents. These petitioners request that Parliament act immediately to

extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

Not only am I pleased to present this petition but to endorse it as well.

* * *

[*Translation*]

## QUESTIONS ON THE ORDER PAPER

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

**The Speaker:** Shall all questions stand?

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## PUBLIC SERVICE STAFF RELATIONS ACT

**Hon. Alfonso Gagliano (for the Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.)** moved that Bill C–58, an act to to amend the Public Service Staff Relations Act and the Royal Canadian Mounted Police Act, be read the second time and referred to committee.

He said: Mr. Speaker, on March 10, 1994 the Federal Court of Appeal decided on its judgment on the Queen v. Yvon R.H. Gingras that RCMP members were entitled to the bilingual bonus now paid to eligible federal public servants.

The court ruled in this case that the bilingual bonus had to be paid because the RCMP was listed as one of the agencies for which Treasury Board is the employer under part 1 of schedule 1 of the Public Service Staff Relations Act.

According to the ruling RCMP members, both uniformed and civilian, are part of the public service. This government is taking appropriate steps to respect the court decision and to live up to its obligation to pay the bonus to current and former members of the RCMP who are entitled to it.

Strictly speaking, the court's decision dealt only with the bilingual bonuses issue. It therefore did not address issues of labour relations or issues of health and safety. In this sense, the legislation confirms that the existing arrangements should continue.

[*Translation*]

I would like to stress the fact that within the RCMP, in accordance with the divisional work relations system in place, management meets with representatives who are elected by the members. I can assure you that the RCMP occupational safety and health measures are totally in line with the requirements of the Canada Labour Code.

The bill we are bringing in today will clarify the status of the RCMP by amending several provisions of the Public Service Staff Relations Act and of the Royal Canadian Mounted Police Act.

● (1025)

The proposed amendments do not change the status of the RCMP. They only confirm the status it had before the Federal Court ruling.

[*English*]

As such, the amendments merely remedy ambiguities in the legislation not intended by Parliament. I ask the support of this House for this bill.

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, upon first glance Bill C–58 appears to be a rather innocuous bill. It is only two pages long with four amendments. It seems to be just a housecleaning measure.

The changes in this bill put into statute what has been in practice for years. Police officers within the RCMP have never viewed themselves as members of the public service within the meaning of the Public Service Staff Relations Act. They have a separate superannuation plan. They have a separate means of employee representation. They have a different body to review grievances and they have always considered themselves to be outside the regular public service.

Now we have a bill before us that puts this into statute. It is no big deal. It is really just confirming what is already a reality in one sense perhaps. However, one must look at what prompted the introduction of this bill.

It is not stated anywhere in the bill but acknowledged by the speaker before me, the hon. secretary of state. The motivation of this bill is a Federal Court appeal decision from March 10, 1994. In rendering its decision in Gingras v. the Queen in the right of Canada, the court concluded that the RCMP was included in the definition of the Public Service Staff Relations Act.

As such, it was required to pay the bilingual bonus that has been paid to the public service for years but had not been paid within the RCMP. Not only did the RCMP suddenly find itself having to pay the bilingual bonus, it was also required to pay a significant accumulation of bilingual back pay. This amount will run into millions of dollars.

Last year the RCMP spent $5.1 million on official languages, not including these retroactive bilingual bonus commitments.

Under the Gingras decision, the force will be required to pay all members who occupy positions that were designated as bilingual. In recent years the RCMP has not designated specific positions as being bilingual. Instead it has utilized the unit bilingual complement system.

Ironically, in its main estimates this year the RCMP stated that it was reinstating the bilingual position designation system in all bilingual divisions. These bilingual divisions include headquarters as well as A division, which is the national capital region, C division which is Quebec, J division in New Brunswick and O division in Ontario.

The force stated that it was required to reinstate the bilingual position designation to meet its obligations under the Official Languages Act, particularly as it relates to supervisory positions. The force does not mention how many of its positions are designated as bilingual but if it were to be 10 per cent of the non–civilian positions this would result in an additional expenditure of $1.3 million. If 25 per cent of the positions were to be designated as bilingual that would mean another $3.2 million.

Faced with this unexpected expenditure, the RCMP and government are looking for a way to get out of these payments. They had to look no further than the Gingras decision to find a way to get out of these payments.

It turned out that Mr. Gingras was a member of the RCMP security service in 1984. When that organization became the Canadian Security Intelligence Service he was transferred to CSIS. When it was created, CSIS was designated a separate employer. This means that CSIS employees do not have the Treasury Board as their employer and that the bilingualism bonus plan does not automatically apply to them. On August 7, 1984 Mr. Gingras' counsel asked the director of CSIS, Ted Finn, to recognize that Mr. Gingras was entitled to the bilingual bonus.

• (1030)

In a response dated March 5, 1985 Mr. Finn replied that he had decided to provide the bilingual bonus to employees in the administrative support category only and excluded the professional level position, including the one occupied by Mr. Gingras.

Mr. Finn justified his position by stating that Mr. Gingras did not qualify for the bilingual bonus in his previous position in the RCMP and he would not change that now that he was in CSIS.

In the Federal Court of Appeal ruling the justices found that the RCMP should have been paying the bonus all along. The court ruled that RCMP members were indeed public servants and that the RCMP was represented by the Treasury Board and thus the force was compelled to pay the bilingual bonus.

The RCMP was required to pay Mr. Gingras the bilingual bonus from November 28, 1980 when he first raised the issue until he transferred to CSIS on July 16, 1984. CSIS was required to pay Mr. Gingras the bilingual bonus from July 16, 1984 until March 5, 1985. Why March 5, 1985? Because that is the date that the director of CSIS decided that the bilingual bonus plan would only apply to CSIS employees in the administrative support category.

The court ruled that as a separate employer CSIS had the legal right not to pay the bilingual bonus. Once the director decreed that the service would not pay it to professional categories they legally could avoid paying it.

The court ruled that there were two required elements to avoid paying the bonus. First, the government agency must be a separate employer. Second, the agency must decide not to pay the bonus. Thus CSIS qualified on both points not to pay the bonus but the RCMP did not. Yet the RCMP decided that it would not pay the bonus.

Back in 1977 then Commissioner Bob Simmonds decreed that the bonus did not apply to the RCMP. While this comment was subsequently deemed to be an error in law, his reasoning for not seeking authority to pay the bonus was sound.

Commissioner Simmonds decided that the RCMP should not pay the bilingualism bonus on two grounds. First, other police forces in Canada did not pay bilingualism bonuses even in bilingual cities or provinces, and since the RCMP determined its benefit package in relation to the police universe it was not prepared to be the only police force to pay such bonuses.

Second, the commissioner went on to state that the payment of such a bonus would become a divisive element as it would create situations in which members of equal rank and responsibility working side by side could receive differing remuneration because one or several of them had either the good fortune to grow up in a milieu favourable to learning a second official language or have the equally good fortune to learn it at public expense.

This was sound logic in 1977 and it is still sound logic today. Why should the RCMP spend taxpayers' money to train some of its members in Canada's other official language and then turn around and financially reward them for having a second language? Then again, why should any government department spend taxpayers' money to train some of its employees in Canada's other official language and then reward them with $800 a year bonus?

The RCMP main estimates show that there are other rewards for being bilingual. As I mentioned earlier the RCMP stated that it is reinstating the bilingual position designation in all bilingual regions in order to meet its obligations under the Official Languages Act, particularly as it relates to supervisory positions. Since bilingualism is a required element to obtain a promotion to a supervisory position in a bilingual region then maybe that is sufficient reward for bilingualism.

Whatever the reason, the RCMP and the government have decided that they should not be paying the bilingualism bonus plan to its police officers. That is why today we are debating Bill C–58. The bill will give the RCMP the second requirement to avoid paying the bonus. By removing the RCMP from the Public Service Staff Relations Act the force will therefore be a separate employer. All it will have to do is have Commissioner Murray announce that it will not be paying the bonus and it will be legally exempt from doing so.

• (1035)

Well, almost. The force has decided not to remove its civilian employees from the Public Service Staff Relations Act. For whatever reason, the RCMP has decided that civilian employees, appointed or employed in accordance with section 10 of the Royal Canadian Mounted Police Act, will still be covered by the PSSRA. There may be other reasons for treating them separately from the police officers within the RCMP, but it is clear the force will have to continue paying the bilingual bonus to these employees.

Current management seems to have forgotten the words of former Commissioner Simmonds who stated that payment of such a bonus would have a divisive effect on employees. Some may argue that the bonus is justified for civilian members because they are generally lower paid support staff. In the RCMP the 1,919 civilian employees of the force had an average salary of $46,178 per year. While Commissioner Simmonds' comment may have been made in reference to police officers within the force, the same divisive effect could occur among civilian employees.

Why should a civilian employee of the RCMP in a position that is designated as bilingual receive $800 more than an employee who is doing exactly the same job in a position that is not designated as bilingual? Why should we limit this to just bilingualism in the RCMP?

Consider the following comment: "This year approximately $50 million was once again spent without any assurance that the payment of such a sum was necessary to ensure Canadians of the availability of quality service in the official language of their choice. Given the present economic circumstances we are more than ever convinced that the bilingualism bonus should be eliminated gradually by negotiating with the parties concerned. In the interests of public finances as much as that of the official languages program, it is high time for the government to take the problem in hand".

If those words sound familiar, they are. They were spoken by the Commissioner of Official Languages in March of this year when he presented his annual report for 1993. While I take some exception with the commissioner's comments about eliminating the plan gradually, I fully agree with his recommendation that the government should turn its attention to this problem without delay.

The government should not have to resort to such sleight of hand legislation as Bill C–58. The RCMP should not be paying out millions of dollars in bilingual bonuses to regular members and special constables. Nor should the RCMP be paying the bilingual bonus to its civilian employees. Nor should any government department, agency or crown corporation be paying any of its employees the bonus. The government must come to terms with reality. That bonus must be dropped. When even the Commissioner of Official Languages is calling for its elimination it is time to drop the payments.

Bill C–58 seems like an innocuous bill. I am sure it was intended to be. The government certainly does not want to be seen as attacking any portion of the official languages program, but it intends to use the bill to circumvent it.

The time has come for the government to be straight with the Canadian public. It is time to scrap the entire bilingual bonus plan. We will support the bill because it takes a step toward eliminating the bonus, even if it has to take ten steps sideways to take one step forward.

[*Translation*]

**Mr. François Langlois (Bellechasse, BQ):** Mr. Speaker, speaking on behalf of the Official Opposition, I wish to express my objections to Bill C–58 at the second reading stage. We are not alone, since the Canadian Police Association, including associations of RCMP officers, did so yesterday. I would like to quote from the minutes of a meeting held at their headquarters here in Ottawa on November 14 and 15, on the subject of Bill C–58.

• (1040)

[*English*]

André Girard submitted copies of Bill C–58 introduced for first reading on November 4 and scheduled for second reading on November 17, 1994. If the bill is passed it will give separate employer status to the RCMP commissioner and leave the members vulnerable on all issues of pay and benefits.

It was decided to treat Bill C–58 as CPA priority and direct Scott Newark to take all necessary action to make sure the bill was sent to a parliamentary committee, vigorously debated and defeated.

It was moved by André Nadon, seconded by Jim Davidson:

> That the RCMP C and O Division Members' Associations have full support of the Canadian Police Association and that the CPA take all necessary steps to fight Bill C–58 on their behalf.

It was carried unanimously.

[*Translation*]

Mr. Speaker, our objections to Bill C–58 are two–fold. First, this ostensibly routine legislation is, in fact, aimed at invalidating the effect of the judgment handed down by the Federal Court Appeal Division in the Gingras case on March 19, 1994. I intend to focus particularly on this aspect.

Second, Bill C–58 constitutes an additional obstacle to union membership for members of the RCMP, as well as interference by the legislative with the judiciary, since a case is still pending before the Quebec Court of Appeal. I am referring to Delisle vs the Deputy Solicitor General of Canada and the Solicitor General of Canada, file 500–09–001747–898 of the Montreal appeal district.

I will now discuss my first point. Two of my colleagues in the Official Opposition rose in the House to address this particular matter. The first time was on March 11, 1994, when the hon. member for Laval–Centre, in a question directed to the Solicitor General, asked as follows:

> Mr. Speaker, my question is for the Solicitor General. Yesterday, the Federal Court of Appeal ordered the federal government to pay bilingualism bonuses of $800 a year to qualified officers of the Royal Canadian Mounted Police. It is estimated that the government now owes up to $4,000 to more than 3,000 officers, as well as to retired officers of the RCMP. Does the Solicitor General intend to abide by the unanimous decision of the Federal Court of Appeal and pay the bilingualism bonus to qualified officers of the Royal Canadian Mounted Police?

And the Solicitor General's reply:

> Mr. Speaker, that decision raises some very complex issues. It is presently under review, and I will have more information about that in the near future.

The "near future" came two months later. On May 10, the hon. member for Richelieu rose in the House to make a statement under Standing Order 31. He said as follows, and I quote:

> Mr. Speaker, the Bloc Quebecois applauds the government's decision to finally comply with the Federal Court of Appeal judgment and pay a bilingualism bonus to RCMP members who occupy bilingual positions.
>
> This puts an end to a lengthy dispute between RCMP members and their employer who, must it be reminded, had decided not to provide this bonus, supposedly "to preserve cohesion within the forces".
>
> If it is serious about bilingualism, the government must continue to pay bilingual bonuses inasmuch as it provides true incentive and compensation for the added complexity of bilingual positions.
>
> Considering there is much room for improvement in the federal Public Service, particularly with regard to the use of French, the government must make sure this bonus is awarded for language skills of the highest level to provide services of the highest quality.

• (1045)

That was the end of the statement under Standing Order 31 made by the hon. member for Richelieu.

The government did not appeal the decision of the Appeal Division of the Federal Court. The case did not go to the Supreme Court, although in March, the minister maintained that some very important principles were at stake. We now know why. The minister had decided to take a difficult approach. Instead of asking the Supreme Court for a definitive opinion on the legal aspects of this case, the government decided to legislate, and that legislation is Bill C–58 before the House today. The government decided to go after its own justice, not by appealing to the Supreme Court, but instead by presenting to the House a bill which, to all intents and purposes, is aimed at rendering null and void the court's decision in the Gingras case.

Indeed, Bill C–58 seeks to overturn the decision handed down by the Appeal Division of the Federal Court, on May 10, 1994, in the Gingras case, which concerned the more or less 17,500 members of the RCMP. It should be pointed out that there are three distinct categories of employees working for the RCMP. The numbers I have were updated November 15, 1994, the day before yesterday.

Regular members and special RCMP constables number 15,551, whereas 1,983 civilians and 3,440 civil servants work for the RCMP.

The 15,500 regular members are, in fact, police officers. They are not unionized. The 2,000 civilians are support staff working in laboratories, as technicians or specialists; an unspecified number of them belong to the administrative support category. They are not unionized either.

The 3,500 civil servants are either administrative or support staff such as clerks, secretaries, stenographers, guards, caretakers and the like. They are all hired by the Public Service Commission or transferred from other departments. They belong to unions such as the Public Service Alliance of Canada.

As I mentioned earlier, Bill C–58 seeks to overturn the Federal Court of Appeal's decision. In the Gingras case, the court came to the conclusion that members of the RCMP belong to the Public Service and, as such, must abide by the rules set by the Treasury Board and that they are entitled to the $800–a–year bilingual bonus.

In May 1994, the government announced that it did not intend to appeal the decision to the Supreme Court of Canada and that it was going to pay the bilingual bonus to RCMP members, including retroactive payments for some of the years it had illegally denied RCMP members this bonus. All in all, retroactive payments could amount to $30 million.

It seems that the Gingras decision disturbs the RCMP top brass because it means that, in certain cases, other Treasury Board regulations may apply to the RCMP and its police officers. Such regulations deal in particular with employment equity, the enforcement of the Official Languages Act, and working conditions. The right to unionize is being debated as part of the Delisle case, which I will deal with later.

• (1050)

Schedule I of the Public Service Staff Relations Act contains a list of departments and other agencies having the Treasury Board as employer, that is to say that are part of the Public Service, and a list of agencies which are separate employers. The RCMP is listed in Part I of Schedule I, and that makes it a part of the Public Service.

Bill C–58 would remove the RCMP from the Public Service, and therefore the Treasury Board would cease to be its employer. Consequently, the RCMP would be subject to legislation applicable to public servants only if it were specifically referred to in such legislation. Treasury Board policies would no longer apply to the RCMP, except if the RCMP itself decided to follow them, but that would be on a strictly voluntary basis.

Since December 1992, the Financial Administration Act has been the legal basis of the Employment Equity Program set up by Treasury Board in the mid 80s. All departments and agencies having the Treasury Board as their employer are subject to the Employment Equity Act because they are part of the Public Service.

Until recently, because the Commissioner had so decided, the RCMP was not subject to Treasury Board policies despite the fact that the force is listed in Part I, Schedule I of the Public Service Staff Relations Act. However, we should stress that the RCMP differs in some ways from the rest of the Public Service, and that has allowed the commissioner to pretend that the policy on bilingual bonuses did not apply to the RCMP.

The decision of the Appeal Division of the Federal Court, made March 10, 1994, in the Gingras case, puts an end to such pretence. From now on, said the tree presiding judges unanimously, the RCMP is part of the Public Service. Therefore, since March 1994, the RCMP has had to apply all Treasury Board policies to its 17,500 employees. Bill C–58 puts an end to that. We must note that civilian employees of the RCMP, numbering approximately 3,440, were always fully subject to Treasury Board policies on employment equity and bilingualism because they were recruited by the Public Service Commission.

The RCMP submits an annual report to the Treasury Board and is included in the Treasury Board's equity statistics. However, the RCMP decided a long time ago to implement the federal policy on employment equity for its 17,500 employees, which include 15,500 peace officers and 2,000 civilians. Instead of submitting an annual report to the Treasury Board and being subject to its rules, the RCMP decided to create its own system of co–operation with the Canadian Human Rights Commission, to which it submits an annual report.

However you look at it, the system is an ad hoc one and, in principle, inefficient. By in effect reversing the March 1994 decision, the government is seeking to exempt the RCMP from the Treasury Board's authority regarding labour relations and conditions of employment. Although the RCMP implements certain policies on a voluntary basis, its goodwill is questionable, given that, for 19 years, it denied its members the bilingual bonus, thereby saving approximately $50 million, or $2.8 million annually.

• (1055)

If one of the purposes of Bill C–58 is to stop the payment of bilingual bonuses to members of the RCMP, we can conclude that the government is adopting the Reform position. Do the Liberals intend to eliminate the bilingual bonus throughout the public service? If the government announces that it intends to pay the bonus to members occupying bilingual positions or if the RCMP commissioner decides to continue the bonus voluntarily, we can still say that the bill undermines the bilingual bonus policy, because the commissioner can terminate the bonus at any time.

It seems that the Official Languages Act applies differently to the RCMP: service in both languages, equitable hiring, language of administration, language of instruction at the Regina school and other similar provisions.

The member for Nanaimo—Cowichan believes that the Federal Court's decision in the Gingras case means that military personnel would also be entitled to the bilingual bonus. Unfortunately, under the act, military personnel are not considered part of the public service.

The Public Service Staff Relations Act specifically excludes members of the RCMP. They cannot, therefore, apply for certification to the Public Service Staff Relations Board, although the Delisle case I mentioned earlier may change this. While Her Majesty in Right of Canada, represented by the Treasury Board, is ultimately their employer, members of the RCMP are excluded from the definition of "employee" for the purposes of the Public Service Staff Relations Act.

At any rate, since RCMP members are presently part of the public service, this means that the RCMP remains subject to Treasury Board policies and standards. Only organizations with separate employer status are not subject to TB policies. Separate employers are paid a lump–sum each year, but are not required to comply with general policies regarding official languages or employment equity for example. Bill C–58 excludes the RCMP from the application of TB policies.

The Financial Administration Act under which the Treasury Board was established sets several standards regarding the public service and government finance administration, except as specifically provided in the Royal Canadian Mounted Police Act and any other act that applies to the RCMP, such as the Official Languages Act.

Bill C–58 provides for Treasury Board policies to no longer apply to members of the RCMP. Paragraph 7(1)(*e*) of the Financial Administration Act states clearly that the Treasury

Board may act on matters relating to, and I quote: "personnel management in the public service of Canada, including the determination of the terms and conditions of employment".

Bill C–58 would add to the RCMP Act a provision by which paragraph 7(1)(*e*) would not apply to the RCMP. Therefore, terms and conditions of employment would be determined by the commissioner of the RCMP and the RCMP Act. This act does provide that staff may appeal to the RCMP external review committee.

Without Bill C–58, the RCMP would presumably have had to gradually comply with Treasury Board occupational standards. I do not have the full list of TB standards and cannot compare them to those in effect within the RCMP under the RCMP Act, but I note that the Treasury Board has powers in the following areas: first, administration of the Employment Equity Act; second, administration of the Official Languages Act; third, financial management; fourth, annual expenditure plans; and fifth, personnel management and determination of terms and conditions of employment.

• (1100)

As far as personnel management is concerned, it is interesting to note that, under Section 11(2) of the Financial Administration Act, the Public Service Commission is partly responsible for personnel management in other departments. In the case of RCMP members, however, it is the Treasury Board which plays this role.

I note that the RCMP Act and some other acts make an exception for the RCMP given the nature of its work. Therefore, at this time, RCMP members' terms and conditions of employment are not identical to those of other public service employees. Among other things, RCMP members are excluded from the definition of "public servant" in the Public Service Staff Relations Act and cannot form a union.

So we can ask ourselves why the government is not proposing at the same time to grant civilian employees of the RCMP—about 2,000 office and support workers—the same rights and privileges as their 3,400 colleagues who are already part of the public service. After all, neither group is composed of law enforcement officers.

There is also an RCMP External Review Committee, whose mandate is "to provide an independent review of grievances, formal discipline, and discharge and demotion appeals filed by members of the RCMP". But, as the external committee points out in its annual reports, no document clearly spells out its jurisdiction. A member of the RCMP can ask the RCMP Commissioner to review a demotion or discharge. The Commissioner then asks the external committee to review the decision before settling the matter himself. The Commissioner is not required to follow the recommendations of the external committee.

The external committee also notes in its annual report that the decisions of the RCMP arbitration committee cannot be appealed to the external committee. Again, everything rests on the good will of the RCMP Commissioner, who ultimately becomes both a judge and a party in the disputes that may arise within the RCMP. How can we leave the terms and conditions of employment up to the good will of the RCMP Commissioner?

The external committee also stresses in its annual report that the grievance procedure is even more complex. In some cases, the Commissioner himself determines what kind of grievances can be submitted to the external committee.

Let us now talk about the RCMP as a separate or almost separate employer. The Treasury Board is the employer of the Public Service and all public servants, according to the list in Part I of Schedule I to the Public Service Staff Relations Act. The RCMP is now listed in Part I of Schedule I and Bill C–58 would replace the expression "RCMP" in this list with "civilian employees appointed or employed in accordance with section 10 of the RCMP Act", who number 2,000. It would exclude the peace officers in the RCMP, who number 15,500. This same law presents a second list, in Part II of Schedule I, of sectors of the federal public service that are distinct employers.

Note that the expression "federal government employees" takes in all government employees, including those who work for Crown corporations and the military. In all, there are 550,000. The Public Service does not count employees of Crown corporations, the military and personnel of separate employers, who number about 235,000 in all.

In particular, the separate employers in Part II of Schedule I include the Communications Security Establishment, CSE, and the Canadian Security Intelligence Service, CSIS.

• (1105)

Bill C–58 does not add the RCMP to the list in Part II of Schedule I, neither does it add the 15,500 members of the RCMP who are peace officers to this list. Therefore, the 15,500 members of the RCMP who are peace officers will have the same status as members of the Canadian Forces; that is, they do not even appear in Part II of the schedule.

In fact, only the personnel not paid with public funds, namely the employees of bars, restaurants and other service establishments on military bases, are listed there. However, the Commissioner of the RCMP would have the status of a separate employer. I think that not putting the 15,500 members of the RCMP who are peace officers in Part II of Schedule I would give

the commissioner even more absolute control over his staff. Why? For what purpose? That is the hidden agenda in this bill.

I now come to my second point, very briefly, because to a large extent it is now before the courts. Bill C–58 further infringes on the unionization of members of the Royal Canadian Mounted Police and is unacceptable interference of the legislative authority in judicial matters, since a case on this issue is pending before the Quebec Court of Appeal. It is the case which I mentioned at the beginning of my speech, Delisle *v.* the Deputy Attorney General of Canada and the Solicitor General of Canada, which is to be heard by the Montreal District Court of Appeal in the coming months.

In this legal proceeding, the plaintiff, Gaétan Delisle, a member of the RCMP and member of the Quebec provincial association of the RCMP, is asking the courts of this country to declare unconstitutional all the provisions which prevent the Canadian Labour Board from issuing a certificate of accreditation for the Royal Canadian Mounted Police, and especially for its employees who are peace officers.

The officers who are the plaintiffs in these proceedings are basing their argument on section 2 of the Canadian Charter of Rights and Freedoms which provides for freedom of association. These plaintiffs argue that the freedom of association gives them the collective bargaining right, hence the right to unionize. This is an issue the Court of Appeal will have to settle, and I do not think that we, as legislators, should hinder the Court of Appeal and influence any interpretation it might give.

The plaintiffs before the Quebec Court of Appeal, the police officers of the Quebec section of the Royal Canadian Mounted Police, also refer to the equality rights enshrined in section 15 of the Canadian Charter of Rights and Freedoms. Why is it that in every Canadian jurisdiction, and especially in provincial jurisdictions, police officers can join a union, but that the federal legislation prevents members and police officers of the Royal Canadian Mounted Police from unionizing? Can we talk about inequality pursuant to section 15 of the Canadian Charter of Rights and Freedoms? This is another issue upon which the Quebec Court of Appeal will have to decide.

Would it not be wiser to postpone this bill for six months or even longer until the court rules on the rights of the police officers and other bargainable employees of the Royal Canadian Mounted Police, should they be successful with their court challenge?

• (1110)

For all these reasons, we will vote against Bill C–58 at the second reading stage.

[*English*]

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, we are addressing Bill C–58, a bill to amend the Public Service Staff Relations Act and the Royal Canadian Mounted Police Act. At first blush it appears to be just an innocuous housekeeping bill. However, this morning it became evident that the purpose of the bill is solely to avoid paying bilingual bonuses to the RCMP which resulted from the Federal Court of Appeal ruling in the Gingras case.

At the time of the court decision the government said it had no choice but to pay the bilingual bonus. Not only is this untrue as it could have appealed to the Supreme Court but it is also misleading to Canadians as the government has now brought in this legislation as an attempt to quietly circumvent the court system.

I give the bill the label of good news, bad news. It is good news in what it will do with regard to bilingual bonuses. It is bad news in the manner in which it is being brought into being and things that have been quietly put aside in the past.

The Liberals were aware of the potential problems this case could create back in 1990. The Commissioner of Official Languages in the 1990 annual report wrote: "The distribution of this bonus was also brought into question in 1990 when the Federal Court ruled that an RCMP officer was as much entitled to it as a public servant. If the appeal court decision does not reverse this judgment we may see other federal employees in the armed forces or in some crown corporations claiming the bilingual bonus, all the more reason to reform this rickety structure, especially in a period of budget cuts".

The Liberals were also well aware of the reasons for the judgment in that 1990 Federal Court ruling. At that time the court stated: "The exclusion of the staff of these two agencies which are covered by the Public Service Staff Relations Act constituted illegal discrimination under the rules of administrative law". That is the court talking. The Liberals knew this. They were sitting in this House, but they waited more than a year after coming to power a year ago to act on this problem.

In April of this year in this House I asked the Prime Minister to heed the strong recommendation of the Commissioner of Official Languages and eliminate the bilingual bonus. At that time the Prime Minister stated: "I do not think the commissioner has made a strong recommendation". That is what he said, there is no strong recommendation, therefore we do not have to do anything about it.

Before I quote the present Commissioner of Official Languages from his last report I would like to quote previous commissioners on this very issue.

In 1983 the commissioner at that time stated: "Six years and let us say almost a quarter of a billion dollars into the game, any question of the real contribution that the bilingualism bonus might be making to federal language programs has pretty much

been lost from view". There is now nothing to prevent the cost climbing to $50 million or more except that a short, sharp government decision to stop this nonsense now before it does any more harm". How prescient the commissioner was in 1983 saying that because that is precisely the cost, $50 million a year, of bilingual bonuses today other than those of the RCMP.

• (1115)

To go on with comments of other official language commissioners, in 1986 the commissioner wrote: "There was at one point in 1985 a hint that Treasury Board was looking for ways to curtail whatever part of bonus spending might frankly be considered superfluous such as payments to middle and upper managers whose bilingualism is adequately compensated in other ways. It may be that the board is still looking and we encourage it to do so".

Let us move on to 1987 when the commissioner's report contained the following statement, and the Liberals sitting in this House were privy to all of this: "The bilingualism bonus as an instrument to encourage more active work related bilingualism among public servants is not well attuned to present needs. It falls like heaven's rain indiscriminately on the just and unjust alike which is not how bonus incentives are supposed to work".

Similarly at the risk of being boring in 1988 the commissioner stated: "Since the bonus no longer has the incentive effect that justified its creation, we can only repeat our recommendation that Treasury Board review the value of the bilingualism bonus".

That brings us to 1989 when the commissioner wrote: "The awarding of a bilingualism bonus may originally have been a positive measure but over time it has proven to be more of an obstacle to a fair linguistic designation of positions and a source of inequities within the public service".

I have already stated the concerns of the commissioner in his 1990 report so we will fast forward to 1991. That year the commissioner applauded the updating of the bilingualism bonus confirmation process but added: "This updating clearly cannot be called a reform of the bonus system, a system whose disappearance we, like many others, continue to hope for. This bonus which originated in 1966 as a 7 per cent supplement to the salary paid to secretaries truly has nine lives".

The commissioner's 1992 report states: "We are far from sure that this bonus paid to 59,900 public servants constitutes a necessary encouragement to the effective use of both languages. We can only reiterate the recommendation we have made so often that the bilingualism bonus be gradually eliminated".

Finally, everyone will be pleased to know the commissioner's comment from last year: "Unfortunately, with regard to the issue of the bilingualism bonus, it is obvious that the commissioner's repeated recommendations still have not been followed. This year approximately $50 million was once again spent without any assurance that the payment of such a sum was necessary to ensure Canadians of the availability of quality service in the official language of their choice. Given the present economic circumstances, we are more than ever convinced that the bilingualism bonus should be eliminated in the interest of the public finances as well as that of the official languages program. It is high time for the government to take this problem in hand".

• (1120)

That is the recommendation of the commissioner that the Prime Minister said was not a strong recommendation. I do not know how much stronger he could make it based on years of precedent recommendations by other language commissioners.

It is interesting that while publicly the Prime Minister has shrugged off these recommendations, his government today quietly tries to slip through this innocuous legislation which will at least partially achieve what so many commissioners have strongly advocated for more than 10 years.

Let us have a quick look at what the rationale was regarding this bonus within the RCMP in years gone by. Back in 1977 R. H. Simmonds who was the Commissioner of the Royal Canadian Mounted Police gave as his rationale for not paying the bilingual bonus that members of the police universe who are compared to the RCMP in the amount of pay and benefits received do not receive the bonus and the equations between these groups should remain the same as much as possible.

The Commissioner of the RCMP also said in that year: "The payment of a bonus was seen as a divisive element in a cohesive organization as situations would be created whereby members of equal rank and responsibility working side by side could receive differing remuneration because of different advantages toward learning a second language, perhaps even at public expense".

This was the evidence, part of it, that has been picked up on by various language commissioners over the years.

From my own experience in the Canadian forces I am well aware that members who are bilingual, and this applies to the RCMP as well, already have an enhanced opportunity of promotion with the accompanying increases in remuneration. The bilingual bonus therefore is in effect an additional payment. I might add as well that most members are bilingual because of language training at public expense.

So I ask, in view of all of this background, in view of the evidence presented, why is the government not proudly proclaiming its attempt to cut wasteful spending? Could it be that it is afraid of publicly slaying the sacred cow, which is official languages, no matter how small a knife the government wields?

I congratulate the government on its attempt to right a wrong, but I condemn the government for wrapping this initiative in a cloak of secrecy. Why not tell people the truth? The Federal Court of Appeal ruling in the Gingras case means taxpayers will have to shell out roughly $30 million in retroactive bilingual bonus payments.

The government should say: "We do not agree with this decision. Therefore we are enacting this legislation to prevent further annual payments of nearly $3 million." This is the truth of the legislation and the people of Canada deserve nothing less than the truth, especially from a government that claims honesty and integrity as its guiding principles.

• (1125)

[*Translation*]

**Mr. Bernard St–Laurent (Manicouagan, BQ):** Mr. Speaker, Bill C–58 aims at reversing the decision of the Federal Court of Appeal in the Gingras case, on March 10, 1994. As you may remember, the Court of Appeal then concluded that members of the RCMP, most of whom are of course police officers, are part of the public service and must adhere to Treasury Board rules, and that these members are also entitled to the bilingualism bonus of $800 per year. This is a brief summary of the decision.

In May of 1994, the government announced that it had no intention of appealing the decision and that it would pay the bonus to RCMP members, including for part of the years during which the government had illegally refused to grant such bonus. In all, retroactive payments should amount to $30 million.

The decision of the Federal Court of Appeal seems to bother RCMP authorities since, according to some, it means that the RCMP and its police officers will be subjected to the other Treasury Board rules. These rules deal, among other things, with employment equity, the implementation of the Official Languages Act and the rules governing working conditions, with the exception however of the right to set up a union. This is a very important aspect which must not be overlooked.

Before going any further, we have to look at the issue from a temporal perspective, but also in the context of that specific group.

What is the RCMP? We must first make an important distinction between three different groups of employees within that organization. In total, there are 15,500 police officers in the RCMP; there are also 1,983 civilian members, as well as 3,440 public service employees. Again, 15,551 regular members are in fact police officers and are not unionized. The 2,000 civilian members, or 1,983 to be precise, are in support positions and include laboratory and general technicians, experts in various fields, aircraft pilots, as well as an indeterminate number of employees from the administrative support category. Those people are not unionized either.

The some 3,500 public service employees hold administrative and support jobs and include clerks, secretaries, stenographers, nurses, janitors, etc. These employees were all recruited by the Public Service Commission or transferred from other departments. They belong to unions such as the Public Service Alliance of Canada.

What is troublesome with Bill C–58 is that it is an underhanded way of doing what is prohibited by the law. As can be seen in Bill C–58, what bothers the authorities is that for many years some RCMP members have been trying to unionize. Three times already, their attempts have failed. In 1994, unionization should no longer be considered a barbaric action that needs to be countered. For a group, it is the freedom to express its will to protect itself against its employer.

So, the purpose of Bill C–58 is to reverse the Gingras case of March 10, 1994. Bill C–58 would exclude RCMP members from the Public Service, taking away their capacity to unionize, but would give them the bilingualism bonus. Such an opportunity to depict the bilingualism bonus as a favour will certainly not be missed when, in reality, it was originally established to promote bilingualism within the Public Service of Canada.

• (1130)

Now, let us set aside the union aspect for a moment—I will come back to it later—to focus on the bilingualism bonus. I just want to make a few comments to show the unwillingness of the administration to acknowledge some data concerning the RCMP and the bilingualism bonus.

The bilingualism bonus program for public servants who meet the standards of proficiency for bilingual positions was established on November 15, 1976. Its purpose is to promote bilingualism within the Public Service, working as an incentive for civil servants to become bilingual. In 1993–94, the government will again have spent approximately $30 million in bilingualism bonuses, which represents $800 a year for each beneficiary.

As I was saying earlier, in its March 10 ruling on the Gingras case, the Federal Court of Appeal has declared that members of the RCMP are entitled to the bilingualism bonus. However, as far as the government or, should I say, RCMP administrators are concerned, two problems persist. Firstly, the government is repudiating the ruling handed down by the court by refusing to make retroactive payments as far back as the court ordered. Secondly, we have now learned that payment of the bonus has since been granted.

RCMP senior management has reduced by half the number of employees entitled to the bonus. According to the president of the RCMP Employees' Association, this drastic change in the application of the Official Languages Act is based on the fact that the great majority of RCMP members entitled to the bilingualism bonus are francophones. What a coincidence, Mr. Speaker! The President of the Treasury Board must make a commitment, as he is being asked to do by RCMP members, to intervene as soon as possible in order to redress this flagrant injustice. That is what we hear.

Today, this bonus is considered a source of inequity within the public service rather than a real compensation for the added difficulties related to working in both languages. The same amount is paid to every employee, whatever the level of competence, the salary or the frequency of use of the second language. The bonus is granted to public servants, but not to government employees.

According to the Commissioner of Official Languages, it is far from certain that this bonus is an incentive to effectively use both languages whenever it is required by law. If the government really believes in the importance of bilingualism in federal institutions, the bilingualism bonus can be considered a major asset when it provides an incentive for public servants to learn a second language and use it effectively.

The Bloc Quebecois does not, however, agree with those who argue that the cost of bilingualism is too high. We must see things in perspective. As long as the federal government maintains its official bilingualism policy, which is entirely reasonable, it will have to allocate the requisite funding. I suggest that when the annual report of the Commissioner of Official Languages is tabled, the debate should not be about costs but should focus on the government's failure to act in this area and on the long way it still has to go before the federal public service is truly able to offer quality services in both official languages. That was in connection with the bilingualism bonus.

I will now consider the aspect of union membership, to which I referred earlier. I said that Bill C–58 was an attempt to isolate members of the RCMP by targeting the organization's regular members, in other words, the police. The bill creates two groups but only one group will belong to the RCMP, and I am referring to the police officers. In other words, civilian employees and other technicians will no longer be members of the RCMP. Bill C–58 no longer wants to include public servants, the so–called civilians. The people of the RCMP are being isolated.

• (1135)

The question people are asking and I am asking is this: Why are they trying to isolate police officers in the RCMP? There are several theories, of course, and I will tell you mine.

The Quebec government recently set up a rather interesting program in its public service, aimed at encouraging input from public servants who want to discuss, as a matter of economic and social concern, anything that might look like terrible waste and abuse of public funds, in a straightforward attempt to reduce operating costs without, of course, affecting the quality of service to the public. Today, for instance, it would be the quality of service provided by members of the RCMP to Canadian taxpayers.

Clearly, Bill C–58 will prevent these people from making an honest attempt to show up any abuse that might occur within their organization. Bill C–58 confirms that it will turn these people into robots at the beck and call of a small group of individuals who are only intent on controlling situations and thus keeping a certain power over events and the people who are supposed to manufacture those events.

For instance, suppose an RCMP officer were to notice that equipment, to give a simple example, was being used wrongfully by his superiors for their own use. Can anyone in this House imagine just for a second this officer going to his superiors and telling them: "You are misusing public funds, and you are doing so for your personnal benefit"? Not on your life. Even if the alleged incident is illegal or close to breaking the law, he cannot do it because he has no protection. These people are muzzled.

Trade unionism is not a weapon, it is a working tool in a democratic social system, which gives more power to those who use it, no matter where, even in those areas where it is the most difficult to unionize workers, as is the case at the Ogilvie flour mill, in Montreal. Even though the workers there belong to a union, they are now faced with the lack of anti–scab legislation in the Labour Code of Canada. Therefore, they are very close to being under some kind of a dictatorial regime since they have to sit idle while scabs come in to take their place. Negotiations then become meaningless. This creates a dangerous social climate.

Last spring, we had the very same situation, for three months at Q.N.S. & L. in Sept–Îles, in my riding of Manicouagan. Scabs were allowed inside to take the jobs of workers who, in all good faith, wanted to negotiate with their employer. Once again, there was provocation. There is nothing illegal in being unionized, it is perfectly legal.

The Sûreté du Québec is unionized. Its members belong to a group that is there to protect them. The Communauté urbaine de Montréal, otherwise known as the CUM, is made up of police officers. They are not animals or equipment, they are individuals, human beings. They are entitled to some security in their life. The same goes for the Communauté urbaine de Québec. But the RCMP said no.

The rumour has it that the employees tried to unionize on three occasions, but each time, their attempts were unsuccessful. Such tactics, you can imagine, go against the Charter of Rights. But these hypocritical tactics are concealed so well in Bill C–58 that it is impossible to make an official complaint under the Charter of Rights, arguing that the Liberal government does not want RCMP employees to form a union or is trying to prevent them from doing so.

This prompts me to make a connection with the situation of CSIS, the Canadian Security Intelligence Service. I think that there is a strategy, that Bill C–58 is an element of a very simple strategy.

• (1140)

First, you prevent the members of the RCMP from unionizing. On three separate occasions already, attempts to do so failed, but pressure to unionize most have been growing and getting quite strong recently, last spring. This gave fuel to the case, the Gingras case, which was brought before the Federal Court of Appeal on March 10.

This case castigates the Liberal government, so it reacted by introducing Bill C–58. Here is the line of thought: because this is a small separate group within forces responsible for national security, unable to unionize and therefore unable to make itself heard and to protect its members against abuse of power on the part of management, before this Parliament is over, a bill will probably be tabled before us to renew the RCMP, perhaps even under a new name! Why not? This group will need a special budget and, as it turns out, no one will be allowed to know what exactly this money is used for. This is where I see a similarity with the Canadian Security Intelligence Service.

Let us take a brief look back at the Canadian Security Intelligence Service,so as to clearly put the problem facing us in its proper context. In 1946, given the increased workload of the RCMP resulting from this added jurisdiction, the staff assigned to this particular function was made into a separate group for the first time. In 1956, the Special "I" Branch became a directorate within the RCMP. I am going quickly. In 1969, the royal commission of inquiry on security recommended creating a civilian security agency. From 1971 to 1974, especially but not exclusively in Quebec, the security service mounted a series of operations, many of which were apparently illegal, to neutralize radical groups, who happen to be separatists, once again.

On March 27, 1975, the federal Cabinet developed a directive for the security service's activities. This directive remained secret until 1978. In 1976, Corporal Samson, who was tried for an incident unrelated to this affair, revealed his participation in Operation Bricole in 1972, which involved breaking and entering and stealing files, as we recall.

Various events occurred over the years, but let us go to November 29, when the members of the Security Intelligence Review Committee were appointed; the chairman was a former Conservative Cabinet minister. In February 1985, CSIS's operating budget was $115 million. This was less than the $200 million it is today, and neither Canadian taxpayers, nor the House of Commons, are allowed to review it. Something is wrong! It is a terrible outfit which not even the House of Commons is able to control any more.

So, to sum up, one, we want to talk about unionization, to move the process along. We intend to talk about unionizing members of the RCMP because the people in that force can find out about the abuses going on in various branches.

Second, they table a bill aimed at isolating the only people with access to compromising documents. Third, I am convinced that, before the end of this parliamentary session, they will pass a bill putting the RCMP in the same class as CSIS, that is, with millions of dollars to spend but without ordinary taxpayers being allowed to look into how this money is spent.

In conclusion,it is my firm belief that it is high time that Quebec achieve sovereignty. Bill C–58 will not make Quebecers change their minds and convince them that it might be beneficial to keep federalism in good shape.

• (1145)

In fact, we do not have to worry about federalism or trying to destroy it. Federalism is destroying itself through bills like C–58.

[*English*]

**Mr. Ray Speaker (Lethbridge, Ref.):** Mr. Speaker, members recognize that this bill is very straightforward and very important. Not only does it deal with a circumstance that was created by a court decision, it deals with a matter that could be very costly to the government and to Canadians. On that basis the matter is very timely.

I find two issues of interest in this legislative change. First is the matter of the bilingual bonuses which are the base purpose of the bill. Second is the autonomy of the RCMP. That both these purposes can be achieved is to be commended.

I would like to give some background which I believe we all recognize is important to our discussion. Certainly the purpose of the bill should be discussed. As I understand it, the bill removes RCMP officers from the definition of employee and in so doing it removes them from the public service as defined under the Public Service Staff Relations Act.

How will they be governed? They will now be governed under the RCMP act. That is where the item of autonomy is discussed. It all seems very simple at first glance.

However when the background of the bill is examined some significant consequences are shown. First, let us talk about the matter of bilingualism. RCMP officers would be able to opt out of bilingualism. Reform Party policy states very clearly that it supports the removal of bilingual bonuses to civil servants as a federal cost reduction measure. We support individual bilingualism but oppose institutional bilingualism as dictated by the Official Languages Act. We feel the bill is in line with that policy.

Why do we believe there are reasons for the RCMP to be able to opt out of bilingual bonuses? First, we can talk about the very basic matter of fiscal constraints. We all recognize that the decision of March 10, 1994 with regard to Gingras v. The Queen in right of Canada that bonuses that were not paid in the past can now be collected by the RCMP. It will cost millions and millions of dollars. The question is whether a person should legitimately have it or not. I say he or she should not.

It was the policy of government under the Public Service Staff Relations Act that was wrong in the first place. We should be able to stick to that very basic principle which we hear often, that of equal pay for equal work. Not only should that happen in the public service but it should happen in the private sector. It is very important, as I examine this matter.

I refer to a comment by R. H. Simmonds who was the commissioner of the RCMP in 1977. He was at that time putting together a rationale for not paying the bilingual bonus. He came to the conclusion that the payment of the bonus was seen as a divisive element in a cohesive organization, as situations would be created whereby members of equal rank and responsibility, working side by side, could receive differing remunerations because of different advantages toward learning a second language, perhaps even at public expense. That was a major concern and on that basis there was a resistance to paying the bilingual bonus.

• (1150)

That principle is very important to the RCMP, which as an organization and as individuals, whether male or female, must be very objective and fair in how the law is applied in a variety of situations. In no way can there be discrimination that is based on either linguistic, racial, religious or any other characteristic of the RCMP officer when the law is applied.

In certain circumstances there may be a need for a limited number of bilingual positions. We need bilingual members of the force. Those people already receive certain rewards. However, it should not be the reward of a special pay bonus. They receive a reward because they can take advantage of certain promotions within the public service. They can receive assignments which require special skills in providing service to the public in law enforcement.

When looking at this matter of an extra bonus because one has special skills in a language, I can think of a variety of analogies which are appropriate. For example, if a person comes to the RCMP with a Bachelor of Arts or a Bachelor of Science degree, should a clause in the bill say that person should receive an extra bonus to perform a duty? Should they receive a bonus? I do not think so.

I look at another analogy of Elizabeth Manley, for example, a professional figure skater, who if she became an RCMP officer would bring that special skill, a very special skill that we in Canada certainly admire and respect. Should there be an extra bonus because this person is physically fit, able to do the job and may be a little bit more nimble in applying the law in a variety of circumstances? I do not think so.

The *Globe and Mail* this morning made a statement with regard to the abilities of males versus females. It stated that studies show that females have better verbal skills to bring to the job market. Does that mean we should pay an extra bonus? Should we really do that or not? Do those skills assist the person to get a job or to compete in the marketplace? Yes, I think it does. Does it mean that females should get paid more than males under those circumstances? I do not think so.

We have to look at the responsibilities of that job. We hire based on qualifications to meet the requirements of the job. We maintain the basic principle that there is equal pay for equal work in whatever job confronts the individual whether male or female. That is the only logical way we can look at a circumstance such as this.

The second consequence of the bill is the matter of more autonomy for the RCMP. It takes members of the RCMP and places them under the RCMP act. That is the way it should be. They should have more autonomy and more control with regard to their members and employment. As Reform policy we state very clearly in our manual that the Reform Party supports the traditional role of the RCMP as a police force, representative of and responsive to the population it serves in Canada's regions. It means it has to have its own autonomy and its own ability to apply the law equally to all citizens in the country, without some RCMP officers having special pay with regard to applying those services whatever they may be.

• (1155)

I believe that bringing the other members of the RCMP under the RCMP act will make it possible for them to be more responsible to the public rather than being responsible to the broad federal bureaucracy under the Public Service Staff Relations Act. It is important that this law enforcement organization maintain its independence.

I conclude my remarks by saying it is good that the RCMP have the opportunity to opt out of the bilingual bonus program. I certainly would urge them to do so when we finalize this

legislation. Second, greater autonomy for that organization is good and it is most important.

If I had to say anything negative with regard to the government's bill and its presentation here, I would say that it has not gone quite far enough. If we examine the bill we will see that something is missing. The civilian personnel working for the RCMP, as I understand it, can still claim the bilingual bonus. The bilingual bonus should be eliminated across the board and we should deal with the whole public service in the same way. We should have a complete change rather than this somewhat piecemeal change, even though it is good as presented.

The government is playing a bit of catch–up. I know some of these policies and legislative changes are brought in by governments under different circumstances. We have to recognize that circumstances have changed, not only fiscally but in the attitudes of Canadians. They are saying: "We are all Canadians no matter where we live. We should have equal opportunity, not only in the job place but equal opportunity in terms of cultural and other social aspirations".

This law as it was put in place some time ago created inequality not equality. I believe it is good that we are trying to tackle that problem.

I certainly support my colleague from Nanaimo—Cowichan who said we should tackle this problem in a very comprehensive way. As Reformers we are certainly united on that front.

We support this bill. We feel it is a small step in the right direction. We certainly urge the government to continue this pursuit and make sure that equality is brought to the public service.

[*Translation*]

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, the minister introduced Bill C–58 this morning by telling us that, for all intents and purposes, these were mere technical provisions, that they were of little consequence, and that they only aimed at bringing back the status quo which prevailed before the Gingras decision. As everyone now knows, the Court of Appeal ruled that some RCMP employees were part of the public service and not excluded from it.

We wonder if this issue is so simple. Indeed, if it is so ordinary, why is the government acting in this fashion?

• (1200)

It does not seem to be a matter of avoiding additional costs, since the court decision has already been implemented and the bilingualism bonus paid to those RCMP members who are entitled to it. Consequently, it does not look as though this bill will help the government make significant savings in the immediate future.

We wonder why the government wants to act so quickly in this particular case, considering that it still has not done anything in other cases involving a lot more money, such as the now famous Gulf Oil case. In 1974, the government legislated to allow certain tax deductions for oil companies, thereby reducing their tax burden.

Oil companies took advantage of those provisions to the point that after a while the government must have concluded that some were going too far. However, the government merely watched: It did not take any action. Yet, there is a lot of money involved. Since 1974, these companies have avoided—and I am not saying they acted illegally, because the law entitles them to do so—the payment of $1.2 billion in taxes. In fact, every day the government loses $260,000 because of those tax provisions. In this case, however, 20 years later, the government has still not seen fit to change the law, even if it seems to do the exact opposite of what the government intended to achieve, which was to allow companies to increase their research and development activities in the natural resources area.

There are billions of dollars at stake. For 20 years now, we have been studying the legislation and wondering if we should act now, or wait a little longer to see if the law has any impact on other companies. If a bill had been passed right away and if we had said after a few years: "Since the law does not seem to say what we meant to say, we will correct it and change it right now", we would have saved billions of tax dollars.

So, here we are 20 years later and nothing has been done yet. However, the government is in a hurry to pass Bill C–58. The ruling of the Court of Appeal only dates back to March 1994, but already the members of the RCMP who were hopeful to see their situation be legitimized realize that the government had decided to act right away and to say: "Since the court's ruling is at variance with our intent, we will act now and pass an act to clarify the situation and make the act say what we want it to say, which is to stipulate that employees of the RCMP are not part of the public service".

There are some 15,500 regular members and special constables, and, as was said earlier, 2,000 civilian employees in the RCMP. There are also about 3,400 civil servants, currently the only ones who have the right to join a union. Of course, this bill in itself represents a step in the right direction, since it allows civilian employees of the Royal Canadian Mounted Police to unionize, which they could not do before.

So, we should commend this part of the bill, thanks to which 2,000 and more employees will be able to exercise their democratic rights.

• (1205)

That is a nice gesture on the part of the government, but it does not go far enough, since it still deprives the vast majority of RCMP employees, and I am referring to regular members and special constables, of the right to enjoy the same privilege, which is the right to organize, to form a union, a right that has been recognized by all other groups in society, all other occupa-

tions and professions, and even by other police forces across Canada. Other police forces have this basic, democratic right which respects the right of individuals to organize freely and to be able to negotiate the terms and conditions of their employment. In Bill C–58, RCMP officers are denied that right.

Why should these people not enjoy the same advantages as their colleagues in the provincial police forces or the rest of society? What is the government's real agenda? Does the government expect to control this police force more readily by removing it from the supervision of Treasury Board, thus turning it into an agency that is not an agency defined by law as another activity sector, that is not covered by a specific department and, in fact, seems to come under the sole supervision of the commissioner, who has a lot of power. Bill C–58 more or less confirms, although it does not say so explicitly, that the big boss, the big decision–maker, is the Commissioner of the RCMP. Occasionally, he gets some help from an outside committee, but mostly he accepts the committee's recommendations to protect his image, while he ultimately has the right to reject those recommendations.

What we want is transparency in the way the government is run, which should include the way police forces are run as well. To exclude them from the public service boils down to treating them like members of the military, who for security reasons, are excluded from this kind of control and have their own justice system and their own courts. However, we do not think it is appropriate to run a police force along those lines.

Would the government want to exempt these 15,000 RCMP members from the policy on bilingualism in the future? We wonder. We can feel that government has the support of another opposition party in this matter. That party has been very clear: the government's approach is not the proper one in this case. Bilingualism should mean two languages in Quebec and only one language in the rest of Canada. That is bilingualism according to the Reform Party. Is the government prepared to adopt that Reform Party policy on bilingualism for Canada? Does the government intend to cut the bonus for RCMP members? We wonder.

What are the intentions of the government in terms of employment equity? Since the courts have ruled that, by virtue of the present legislation, the RCMP should come under the jurisdiction of the Treasury Board, why would the government not accept that RCMP members be treated according to the same standards as those applied to all other civil servants, that is the standards laid down by the Treasury Board?

• (1210)

Why not take this opportunity to give RCMP members the same privileges as those granted all other employees of the public service?

The Public Service Commission is responsible for personnel management in several other departments. As part of the monitoring process, it must make sure that everybody abides by standards and regulations. In the case of the RCMP, the Treasury Board, not the Public Service Commission, had that responsibility. The Treasury Board authorities would ensure a better control of the RCMP.

But Bill C–58 would take that responsibility away from the Treasury Board. Is this another way for the RCMP to avoid having its activities scrutinized by a public body whose role is to ensure transparency and answer taxpayers' questions? What is so secret that Treasury Board should not have authority over the RCMP?

Is there a hidden agenda? Is the government planning again to have the RCMP carry out duties in a covert way, protecting it from inquisitive taxpayers wanting to know why the RCMP is behaving this way or that? Does the government have ulterior motives?

It is hard to say, but it seems rather strange for the government to take advantage of an Appeal Court decision not only to give back to the RCMP Commissioner the same powers he had before, but also, in reality, to reinforce the authority he has now since, to all intents and purposes, he does not seem to be accountable to anybody in particular in the government.

We cannot condone this policy because this bill lacks transparency and does not go far enough. Why is it that something good for 5,000 RCMP employees should not be good also for the remaining 15,000? As the saying goes, what is sauce for the goose is sauce for the gander.

Why would what is supposed to be good for support and administrative staff and all other RCMP employees not be good for special constables and regular members of the RCMP? Why should they not benefit from it also?

We will vote against this bill at second reading, and we hope that the government will do an about–turn and abide by its civil service renewal policy, which was supposed to give more decision–making powers to lower levels of government, and not to exclude certain agencies from the decision–making process.

If this is the kind of civil service renewal the government had in mind, we misunderstood its intentions and we must denounce them here and now. Letting authority move from top to bottom, means allowing the decisions to be taken as close as possible to the place where the problems occur.

This is not what the government is doing with Bill C–58. What the government is doing is exclude the RCMP from the jurisdiction of Treasury Board. By making the RCMP come under a single person it enables it to act on the sly, without any openness and in a way unacceptable to taxpayers.

Once again, we think that the government should backtrack and respect the spirit of the program of public service renewal, the so–called Public Service 2000, that it does not seem to hold in high regard and has not really considered up to now. We have a feeling that it has been relegated to the highest shelf and that the government is in no hurry to follow–up on its electoral promises in this regard.

• (1215)

Mr. Speaker, thank you for your attention. I am ready to answer questions if there are any.

**The Deputy Speaker:** Questions or comments. Normally, I would give the floor to a member from another party, but since no member for another party wishes to speak, I recognize the hon. member for Berthier—Montcalm.

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, first of all, I wish to congratulate my Bloc colleague from the riding of Joliette because I think he grasped the full significance of this bill. Since he is the critic on public service renewal, there should be at least one person in this House who defends the public servants working for the system. RCMP members are directly affected by what is done or not done in this House.

I must tell you at the outset that although we seem to defend the RCMP, we, in the Bloc Quebecois, would have good reasons not to oppose a bill which paints the RCMP into a corner and puts them in a separate class. You have certainly heard members of this House talk about incidents involving the RCMP back in the 1970s. As you know, sovereignists and independentists are not great friends of the system, of the RCMP, but I think that as the Official Opposition we must denounce such bills. This is what I am doing today by denouncing Bill C–58.

Our first reaction after looking at a bill like this is to see it as a harmless piece of legislation. There are not many sections. It does not seem very consequential at the jurisdictional level. Nevertheless, I think we should ask ourselves why Bill C–58, now, in November, singles out RCMP members by putting them in a separate class. Because C–58 does put RCMP members in a separate class.

Looking at the bill, we realize that it touches on staff relations and wonder why the Federal Court of Appeal made a certain ruling under the law as it stood when the court addressed the issue. It handed down a very fair, very well–researched ruling, so that the Liberal federal government—I will come back to this a little later—does not want to appeal it.

Why C–58? As my colleague said earlier, I think that the Gingras case spurred the Liberal government into introducing legislation in this area. For the benefit of those who are not familiar with the Gingras case, a brief review of this case may be useful, for the sake of understanding the general dynamics of Bill C–58.

You all know that the federal government instituted a bilingualism bonus plan in the seventies, on the 15 of November to be exact. Yesterday was the anniversary, not only of the first term of office of the Parti Quebecois, but also of the creation of the bilingual bonus. This plan was for employees hired by Treasury Board, that is to say the government of Canada, who held a bilingual position, a position recognized as such, which required the use of both official languages. The bonus was $800 a year.

The purpose of this bonus, and I do not wish to discuss the purpose of the bonus again, was to promote bilingualism. It was designed as an incentive for public servants to learn the other official language to serve the people of Canada, and the people of Quebec in particular.

• (1220)

Well, Mr. Gingras had been a member of the RCMP since 1962. In fact, he worked for the RCMP until 1984. But between 1976, when the bilingualism bonus plan was put in place, and 1984, when Mr. Gingras retired from the RCMP, despite the fact his position was designated as bilingual, he never received the $800 bilingual bonus, while all other public service employees working on the Hill or elsewhere did.

Naturally, pursuant to the RCMP regulations, Mr. Gingras asked his superiors to look into the matter and, unsatisfied with their decision, brought the whole matter before the Federal Court. The case even went to the Federal Court of Appeal, which ruled very clearly on March 10, 1994 that Mr. Gingras and all members of the RCMP were entitled to this bonus.

Although I do not want to read much of the ruling of the Federal Court of Appeal, we see that the reason for this ruling is that all members of the RCMP are public servants who must comply with the rules adopted by Treasury Board and are entitled to the bilingual bonus if they occupy a position recognized as bilingual and requiring bilingualism.

Given such a ruling, we must conclude that Bill C–58 seeks to overturn the Federal Court of Appeal's decision—it is as simple as that.

I come back to the question I raised at the beginning. Is this a harmless bill? I think not. I think that it is a dangerous, sneaky bill for a society that claims to recognize the rights of equality and association. I repeat those two terms.

Why did I say that it is a sneaky bill? Because after this ruling was rendered in March 1994, the government, through its minister, said that it was reviewing the matter to see whether it could appeal. It wanted to analyze the consequences of this judgement. However, in May 1994, the government announced

that it did not intend to appeal the Supreme Court's decision and therefore it would pay the bonus to members of the RCMP, including the bonuses for part of the years when the government illegally refused to pay the members of the RCMP.

It is true that the Liberal government did not appeal this decision. However, what the government does not do openly by appealing this ruling to the Supreme Court of Canada, it does indirectly to arrive more or less at the same result. By asking the House to pass Bill C–58, the government is using a sneaky approach. It led us to believe that it was going to live with the ruling of the Federal Court of Appeal, but then it turned around and drafted Bill C–58, which is now before us.

This is sneaky because even those directly concerned by this legislation, namely RCMP members, did not know about it until the Official Opposition approached them to find out what they thought of Bill C–58. These people were not even aware of that legislation. You cannot help but wonder about the internal consultation process. This is why I find it sneaky. This is not a bill about which all concerned were clearly informed. It was drafted, and the government is now trying to have the House pass it rather quickly. I doubt many Liberal members will discuss it. The government is trying to proceed quickly. Yet, this legislation will have very significant consequences.

I also think this is a dangerous bill for a society which claims to be respectful of union membership and equality rights.

• (1225)

By introducing a bill which has the effect of overruling a Federal Court of Appeal decision, the government does not necessarily solve an issue related to bilingualism: It is trying to do a lot more than that. And this is what can be very dangerous for RCMP members. Let us not forget that the ruling of the Federal Court of Appeal has an impact on many other very important issues. For example, the court was unanimous in saying that RCMP members are Treasury Board employees and must be considered as such. Consequently, it court ruled that the RCMP and its peace officers should be subjected to all other Treasury Board rules. These rules govern such things as employment equity, enforcement of the Official Languages Act and the rules concerning labour conditions, with of course one exception relating to the right to unionize.

Once the Federal Court of Appeal made its ruling, we heard that the mandarins at the RCMP were concerned about the legal implications of this ruling. Which brings me to another question: Who is affected by this ruling? Why does it bother people so much, why does it bother the mandarins of the RCMP who seem to call all the shots within their agency?

According to inquiries made yesterday, the Gingras case affects some 17,500 members of the RCMP. Of these 17,500 members, about 15,500 are regular members and special constables and about 2,000 are civilian employees. These were the people working for the RCMP who were affected by the Gingras ruling. To these figures you can add about 3,500 employees of the public service, who are not however affected by Bill C–58 or the Gingras case, because they are already considered to be public servants.

We are forced to realize that an injustice was done and we have to understand the rationale behind the ruling of the Federal Court of Appeal, because we had a situation where people working at the same place, for the same employer, were subject to different labour conditions, where the rules were not the same for everyone, and that did not make sense. This is why the ruling of the Federal Court of Appeal set things straight. However, unhappy with this decision, the government now introduces Bill C–58 which negates the ruling of the Federal Court.

As I said earlier, and as my colleagues already said, the first objective of Bill C–58 is to exclude RCMP employees from the Public Service, employees who, at the present time, come under the control of Treasury Board like the rest of the Public Service. If this bill passes under its present form, the RCMP will be covered by legislation governing public service only if it is specifically mentioned in such legislation.

The basic rule under the bill is that Treasury Board policies no longer apply. They applied ever since the court decision. Under Bill C–58 these policies will no longer apply, unless RCMP management decides they do. Therefore, we give mandarins, who worried about the consequences of the Federal Court of Appeal decision, the option to follow or not the rules set out by Treasury Board.

I am no longer as naive as I was on election day, and I know full well that they are not ever going to accept those rules since they were the ones who pushed for Bill C–58. So, even from that point of view this is a sneaky piece of legislation.

If I were a member of the RCMP, I would be furious. I do not know what they are going to do, but if I were in their place I would try to make it known that I am unhappy. I am going to give you some examples. In the area of employment equity: In December 1992, the Financial Administration Act gave the Public Service Employment Equity Program, launched by Treasury Board in the mid–1980s, its real legal basis.

• (1230)

All departments and agencies, including Treasury Board and the employer, that is the public service, are subject to the Employment Equity Act, because they are part of the public service. Until quite recently, the RCMP commissioner had decided that the RCMP was not subject to Treasury Board

policies, although the RCMP is listed in Part I of Schedule I of the Public Service Staff Relations Act.

It should, however, be mentioned that the RCMP's status is not quite the same as the rest of the public service, which allowed the commissioner to claim that the bilingual bonus policy did not apply. The Federal Court of Appeal decision did not back him up. In the Gingras decision handed down on March 10, 1994, the court ruled unanimously that the RCMP would in future be considered part of the public service. Since then, the RCMP has been obliged to apply Treasury Board policies to all 17,500 of its members affected by the decision.

Bill C–58 is an attempt to put an end to this process of equity. After all, the approximately 3,500 RCMP employees in the third category I referred to earlier were recruited by the Public Service Commission and have therefore always been fully subject to the Treasury Board policies on equity and bilingualism.

As you can see, Mr. Speaker, under Bill C–58, members of the RCMP who are police officers or special constables are being treated as a separate class within the RCMP itself. They are being put in a class quite distinct from secretaries, clerks, caretakers and so on.

And it is the same with the official languages policy. The decision to implement this policy in the RCMP as an organization will rest with the big boss himself, the RCMP commissioner. It is extremely dangerous to leave this power in the hands of one person alone.

As for the labour relations and unionization aspects, I think that my hon. colleague from Joliette has covered them well. Since I am rising immediately after him, there is no need for me to argue the unionization issue all over again, except to say that Bill C–58 confirms in no uncertain terms that RCMP employees who may, at one time or another, have contemplated forming a brotherhood or a union can forget it for good.

If there was room for interpretation before, it is all very clear now. As you probably know, Mr. Speaker, applications were made by RCMP employees wishing to unionize. Actually, some are still pending, but Bill C–58 clearly puts an end to any attempt to unionize. Bill C–58, if passed, will make it impossible.

To sum up, seeing that I have one minute or so remaining, the most dangerous thing about Bill C–58 is the tendency to put almost everything in the hands of the commissioner of the RCMP. Mr. Speaker, I think that you for one would understand the situation, because you are sensitive to these issues. If we look at what is happening with the Communications Security Establishment and the Canadian Security Intelligence Service, which are truly considered as separate employers by the government in Ottawa, the same thing will happen, indirectly, to the RCMP people, but that is not spelled out clearly, as it was in the other two cases.

Indirectly, the commissioner of the RCMP will have the final say on certain aspects of the application of RCMP regulations. That is what is extremely dangerous in a country that claims to be democratic and open to the right to organize, to official languages and so on.

This is a bill that centralizes many jurisdictions under a single person, and that is very harmful. You will understand that, for all the aforementioned reasons, like all my colleagues from the Bloc Quebecois, I will vote against Bill C–58.

• (1235)

**The Deputy Speaker:** Is the House ready for the question?

**Some hon. members:** Question.

**The Deputy Speaker:** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

*And the bells having rung:*

**The Deputy Speaker:** Pursuant to Standing Order 45(5)(*a*), the chief whip of the official opposition has asked me to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(6), the vote on the motion stands deferred until 5.30 p.m. on Monday, when the bells to call in the members will be sounded for not more than 15 minutes.

[*English*]

**Mr. Boudria:** Mr. Speaker, I rise on a point of order. I think you would find unanimous consent to further defer the division from Monday at 5.30 p.m. to Tuesday at 5.30 p.m.

**The Deputy Speaker:** Is there unanimous consent of the House to accept the proposition?

**Some hon. members:** Agreed.

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## SOCIAL SECURITY PROGRAMS

The House resumed from October 24 consideration of the motion.

**Hon. Roger Simmons (Burin—St. George's, Lib.):** Mr. Speaker, I welcome the opportunity to say a few words on the following motion of the Minister of Human Resources Development:

> That this House take note of the progress made to date on the government's forthcoming reform of social security programs and of the views expressed by Canadians with regard to this reform.

I believe the discussion paper on improving social security in Canada, tabled by the minister some weeks ago in the House, is a very welcome and courageous document. As with all initiatives that involve courage there is the potential for controversy and for misrepresentation. Certainly we have seen a fair amount of both since the issuance of the discussion paper.

I am not surprised by that. Indeed I would be disappointed if there were not such controversy and I would certainly be surprised if there were not some misrepresentation. It is the nature of our system of government that for every point of view there is a counter point of view. It is the nature of the way things get done in the Chamber that very often people who choose to take an opposing point of view are not hampered by the facts in some cases. They tend to do a bit of fearmongering and create a whole lot of what if scenarios: Does the government mean to do this or does it mean to do that?

• (1240)

I am not surprised by the misrepresentation and indeed I welcome the controversy. The minister and the government have wanted a full scale discussion on this issue and that presumes a discussion of the facts in play.

What I like about the discussion paper is that it raises a series of questions. Do we want this? Do we want that? They are questions. The standing committee is now travelling around the country to canvass the views of Canadians and to invite Canadians who cannot appear before the committee by reason of distance, time or whatever to send their views. I repeat the invitation to send their views to the committee and to their respective members of Parliament but particularly to the committee. As sure as night follows day there will be changes in the social security package as we know it in Canada. There has to be changes.

One of the reasons there has to be changes is that the present system was put in place so long ago that in the intervening time there have been new demands and new realities. Another reason change is needed is that no matter how tightly the rules are written there is always potential for abuse. I could indicate, as could many members of Parliament, many specific examples of where a particular package within the social security network has been abused.

That must never be an argument for throwing out the baby with the bath water. Unemployment insurance is a good system. It has served us well. Have there been abuses? My friend from Elk Island is probably in the category to which I just made reference. He would probably be leading the charge. He would be the pied piper of throwing out the baby with the bath water. Judging by his reaction in the House at this moment, he would be the kind of person who would want to get rid of the whole system. I am not one of those. That is where he and I differ.

There have been abuses in the UI system; I can document many hundreds of them. The abuses need to be corrected but the basic premise remains. The basic premise is that there are people who need to be assisted financially from one work opportunity to the next one. That is the basic premise of the UI system and we cannot lose sight of that. Nor can we lose sight of the abuses. That is one of the reasons this discussion paper is before us right now.

I could refer to other programs. There are abuses of any program embraced by the social security net, but for each of those programs there is a basic premise. For example, are there people who need an old age supplement? Yes, there are and I can give a list of many tens of thousands of them who need it.

With reference to what my friend from Gander—Grand Falls was saying a few days ago, was it ever intended that the old age security program should help people who already net several million dollars a year to get some more millions, some more dollars? No. Was it ever intended that 2,340 millionaires in this country should be able to draw unemployment insurance and benefit therefrom in tax terms? No, but that is happening. Now what is the solution?

• (1245)

There are two possible solutions, I suppose, theoretically. There is a sure way of guaranteeing that not one of these 2,340 people draw UI ever again. Wipe out the system. Wipe the system out completely and you will have guaranteed that none of them ever draw it because it will not be there to draw on. But what will you have done in the meantime? You will have ignored the basic premise of the program, the basic reason for the program in the first place: To help those who genuinely have financial need to get from one work opportunity to the next work opportunity.

With respect to unemployment insurance, old age security, medicare, university tuition, transfer payments, let us not lose sight of what their basic raison d'être was in the first place, the basic reason for putting them in place.

There is going to be and there is already a very wide debate. We saw an aspect of it yesterday here in front of the Parliament Buildings when many thousands of university students came to the Hill. I for one was glad to see them there. It is part of the debate that must go on. It must be an informed debate. I hear and I read in the papers a lot of information, a lot of misinformation, a lot of fear mongering. No matter what you attempt to do as a

public policy maker or as government, the NIMBY factor immediately comes into play. NIMBY, not in my back yard.

Any Canadian, any taxpayer anywhere in the world will respond to the following set of questions in the following way: Do you want to improve roads? Yes. Do you want to pay for them? No. It is the nature of how politics is done in democracies around the world. Do you want change? Yes. Do you want it to cost you? No. NIMBY. Do it by all means, politicians, please do it, but do not do it in my backyard. Do not affect me adversely.

Well budgeting in government is like a zero sum. Again, as soon as you spend it somewhere you have to take it from somewhere else.

So I say to university students, I say to unemployment insurance recipients, I say to old age pensioners, I say to recipients of medicare, I say to all of them out there including those of them who are my constituents: If you want change you are going to have to accept a basic fact of life. Change will mean improvements in some areas from your perspective but a less adequate measure in other areas from your perspective. Everybody sees it from his or her own perspective.

If you want the status quo, we can just tear up this little green book and we can allow the abuses to go on, allow the millionaires to continue receiving their unemployment insurance. We can allow that to go on, but that would be unthinkable. Therefore we have taken the other route as a government of which I am a supporter of saying that changes are needed but before we trigger those changes let us see what kind of changes you have in mind.

That is why we are having quite a far reaching consultation with the Canadian people. I have been encouraged by the kinds of letters I get, the kinds of spontaneous dialogue I encounter in airports and elsewhere around this country. I have been quite encouraged. But do not for a moment make the assumption that the vested interests are going to allow that dialogue to continue unfettered. There are vested interests.

• (1250)

If for example the government contemplates a change in a funding formula for various organizations around this country, the paid staff in that organization immediately says: "What does this mean for my job? If the subsidy from government is less or wiped out altogether, what does it mean for my job?"

Understand that we are talking about a discussion paper. Nobody has said that we are going to do this, this and this. The government through the Minister of Human Resources Development has said: "Here are some questions about what could be done. Canadians, what do you think?"

Let us go back to the organization I was talking about. The guy or the girl sitting behind a desk in a job that is funded by a government subsidy says: "Is it not possible that if they change the system there might be less money flowing to this organization? Therefore, my welfare, my livelihood, my pay, my job might be at stake". It does not take a nuclear scientist to figure out that the next thought that person may well have is: "How can I stop that from happening? I could mobilize a great rally. I could mobilize some letter writing".

Why has he or she done it in that example? Is it because he or she does not think there is a need for change? No. It has been done for the NIMBY reason: Not in my backyard; do not adversely affect me; however good your intentions, however good this program will serve the country, do not do it because it might affect my pocketbook.

Is there controversy? Oh yes, there is lots of controversy. Will there be more? Yes, I certainly hope there will be a lot more. Because at the end of the day when the smoke has cleared, everyone will see that this government will bring in a social security reform package which reflects the concerns of Canadians from coast to coast. Will everybody be happy? I doubt that very much. However I sincerely believe that most of them will be happy if they honestly engage in the process along the way, if they ignore the fear mongers, read the document themselves and respond to the document themselves.

I have some concerns about the process. I hope this does not fall into the category of the fear mongering I have just castigated. I subscribe to the view that what is in this document is basically a series of questions. However you would need to be deaf, dumb, blind and everything else not to realize there are some implied policy directions in this document.

One relates to the issue of university tuition. The government has not said it is going to do it, but it certainly has wondered out loud as to whether that is the route to go. Whether it goes that route or not depends on what Canadians say about the issue in the next few weeks.

The government has wondered out loud about seasonal workers versus workers who only have occasion to tap into unemployment insurance benefits spasmodically and infrequently. I have a very decided view on that issue.

• (1255)

Let us take an example of two brothers or sisters who are doing the same job. They are both carpenters driving nails and building the same office building in Toronto or St. John's. They both work for 18 or 19 weeks and both get laid off. Then UI says to one: "You came straight to this job from another job out in Cold Lake, Alberta where you worked for six years. You have no record of being unemployed over the last six or eight years so you are going to get a certain rate of remuneration or benefit while you are looking for work". However UI says to the other brother: "Before your 18 weeks, you were out of work for two

or three months. It was through no fault of your own mind you. It was not because you are lazy because you are not, but because you could not find work. However we are going to pay you a lesser rate".

Forget Liberalism, forget Reformism, forget Blocism. Let us talk another theology called fairness. Let us talk about basic fairness and another theology called basic common sense. The two brothers having worked the same amount of time driving the same kind of nails and getting the same rate of pay receive different UI payments. Who can buy the more groceries? That is the issue.

Remember that UI was put in place in the first instance to help tide a person over from one work opportunity to the next work opportunity. If in the process we say to a person who through no fault of his own has had fewer work opportunities that we are going to give him less money to buy the groceries to get him to the next work opportunity, that comes down to not a matter of political ideology, but to a basic matter of fairness. It is blatantly unfair to contemplate that approach. That is the kind of feedback I am getting and I expect others are getting too.

If it is a matter of deficit reduction, if it is a matter of having the UI fund live within its means, there is another way to fix that. The way to do it is not through unfairness. Instead of paying that fellow that rate and that other person another rate let us just equalize it. We may have to pay one fellow a bit less and the other fellow a bit more. It is not a matter of dollars here. We are not talking overall costs. We are talking another issue. We are talking about whether we believe as parliamentarians in a system that is fair. I can tell this House that I do and I will oppose any suggestion that would treat Canadians unfairly.

I have just given one quick example of where my eyes are open in case the need arises to have them open on that issue. Lest some colleagues who just joined us got bogged down in my examples, let me remind all concerned, including the people outside the House who may be watching, that the Minister of Human Resources Development put down a motion that the House take note of the progress made to date on the government's forthcoming reform of social security programs and take note of the views expressed by Canadians.

I spent most of my time on the latter issue. I believe the success of this process or its failure will be determined largely by the degree to which we give Canadians an opportunity to say what they think of the proposals, say what their answers are to the questions and the degree to which we listen to that feedback.

• (1300)

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I always enjoy interventions by the member for Burin—St. George's. Actually, without any disrespect to him, he did remind me of a friend I have who used to talk endlessly and used many words. When I challenged him on it one time he said: "I am a mathematician. I just use statistics. By the law of averages if I speak long enough and fast enough sooner or later I will say something important". Without putting the member down, there were many words but not terribly many solid ideas in his speech.

One place I was invoked to make a little comment was when he was speaking about unemployment insurance. I have said unemployment insurance is exactly what its name implies. It ensures that we have unemployment, and so it has been. I could give many examples but that is not my purpose right now.

The fundamental difference between the Liberal philosophy on social programs and the Reform philosophy, which is more a philosophy of self–determination or looking after oneself, is that the Liberals make the assumption that unless the government does it, it will not be done. This is particularly true in the area of unemployment insurance and in many of our other social security programs. They somehow feel the government has to be doing it. We believe it is a function of the people, the taxpayers.

I made an observation while the hon. member was speaking. I have the advantage of being old enough to remember enough years and see changes over time. A way back we were very well off. I remember we had lots of jobs. Unemployment was very low. There were very few needy people in real need. Their needs were all met. Yet we did not have these government programs.

Now with all the government programs and the huge rate of taxation we find a dampening of the economy. The government sucks everything out of us. We know that marginal tax rates are 50 per cent or more. There is very little money left for the people to look after themselves and to help their neighbours.

I make a connection. I say that increased government involvement in these things has added significantly to our lack of efficiency, the downturn in the economy and the resulting hard times many of us face.

I would like to hear the member's response to my statement that we differ in philosophy. Would he perhaps consider admitting at least partially that the government is also part of the problem as opposed to thinking that it has not done enough to find a solution?

**Mr. Simmons:** Mr. Speaker, my friend from Elk Island is one of the courageous people I was talking about earlier. Let me show his last effort at courage. Having said I said nothing in 20 minutes, he now has the courage to dare to ask if I can say

something substantive in 30 seconds. I am glad he was not trying to put me down. I am sensitive these days but I take his assurance at his word.

He tried to indicate the difference between Reformers and Liberals. I will put it more graphically for him. We do not think we should let poor people die because they are poor.

**Mr. Epp:** Neither do we.

**Mr. Simmons:** You could have fooled me.

There is a need for those programs. Despite the fact that by the member's own admission he may be old, decrepit and so on, he misinforms the House. He can remember when there were programs. When was he born? Of course there was UI in his youth; of course there was social security. He should not mislead the House. These programs were not brought in by this administration or the previous one. These programs have been there for decades upon decades. The unemployment program goes back nearly half a century.

• (1305)

**Mr. Epp:** More than that.

**Mr. Simmons:** Slightly more. In reaching to make a point I say to him—he is my senior so I should not be trying to coach him in public like this—that he does not need to reach for falsehoods to prove his thesis. For him to stand in the House and say these programs have lately arrived is a falsehood; it is just not true. These programs were there when he was a baby.

**The Deputy Speaker:** The hon. member for Burin—St. George's described another member of the House as being old and decrepit. I may have missed it, but was he quoting the member who had just spoken in using those words? If he was not quoting, I hope the member did not wish to describe any member in the House as being old and decrepit.

**Mr. Simmons:** Mr. Speaker, I was taking some poetic licence just to make a point in referring to one of the more virile and youthful members of the Chamber.

**Mr. Epp:** Mr. Speaker, with respect to the reference to my age, mature and wise would be better than old and decrepit. In response to what the member has just said, surely I am not so old that I lived before these programs were in place. I guess they did come into place about the time I was in my youth. Certainly they were not nearly as invasive and pervasive as they are now. That is the difference.

We used to have a very modest program for unemployment insurance and everybody was employed. Now we have a pervasive program of unemployment insurance and we have a 12 per cent or 10 per cent rate of unemployment.

That is what I was talking about. There has been such an increase in government programs and such an increase in taxation as a result that the economic balance has been seriously tilted.

**Mr. Simmons:** Mr. Speaker, I have two points in response. First, I agree with my friend from Elk Island that government is much too pervasive. It is and I agree completely. The second point which I piggyback on the first one is that too often in the House we fall into the trap we are in again today. He felt obliged to rise and say "the member has said nothing; he talked ad nauseam" and so on. With respect, I said several things I think the member on reflection would agree are substantive.

I talked about the basic premise for UI and the basic premise for OAS. He may not agree with these premises, but he cannot say they are all verbiage. They are statements. Whether he agrees with them or not is another issue. He falls into the trap, and I did to a degree in response, of always being obliged to knock what the other guy said.

I tried to give as considerate a statement as I could during my 20 minutes in which I said where I am coming from on the issue of social reform. I measured beforehand its success or failure in terms of to what degree the government listens and how much the government canvasses opinion.

What I have said in short, and probably could have said more briefly, is that the jury is out on this one. I am not up here saying this is the best thing since sliced bread because I cannot see it yet. I do not know what it is. We should not fall into the trap of just knocking the other guy because he sits on the other side of the House. I happen to agree with the member for Elk Island that the government is too pervasive. One of the goals of the reform package ought to be to get government out of some people's hair.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, I enjoyed the speech of the hon. member for Burin—St. George's. It is always interesting listening to him speak.

He mentioned the UI program. I would agree there have to be some changes for the UI program to continue. Of course the Reform Party has been talking about making the program actuarially sound. I would like his comments on that.

The member also raised an example of a UI situation. I would also like to bring to the attention of the House a situation in my own riding of Okanagan—Similkameen—Merritt which happened recently. We had a terrible forest fire in the Penticton region that devastated the area for quite some time over the holidays, our peak tourism season. God bless the people who came out to fight the forest fire. They were there to ensure the fire did not spread much farther than it did. We lost in the neighbourhood of a dozen homes; it could have been a lot worse.

• (1310)

Recently a company that does a controlled burn each year on a contract basis in the Merritt region went to the unemployment insurance people and said it needed some people to help with the controlled burn. Strangely enough the same people who fought the forest fire in Penticton were the people that year after year participated in the controlled burn. This year he could not get those people to come out. The UIC said that these people had been asked and they said: "No, we have had it with fires and working in the forests. We can do much better if we stay on UI for this period of time". This is an excellent example of abuse in the system.

What would the member do? What would be his suggestion to alleviate this situation?

**Mr. Simmons:** Mr. Speaker, on his question about whether I believe it ought to be actuarially sound, the answer is yes. I gave that answer in other words during my speech. I think I used the phrase that the fund ought to live within its means. I believe that. On his example, I can give him several like it. It is another example of how the UI scheme has been a disincentive to work.

I remember when I was a school superintendent in Newfoundland that I used to have people coming into my office on a number of occasions and saying: "You are the superintendent". "Yes". "How do you spell that?" "Yeah". "Have you got a job for me here?" "No". "You are also the president of the Green Bay Economic Development Association?" "Yeah". "How do you spell that?" "Yeah". "You have got another job up there, have you?" "No, no". "Now you are also involved with that park up on the highway". "Yeah". "How do you spell that?" "Yeah". They had just applied to three employers for employment. They could go back now and fill in their forms that they had approached three employers and they could not find work.

I also remember the day that a dear young former student of mine refused a job as a secretary. I knew why she was refusing it and I reported her. One of the reasons we have abuse has to do with the abusers. Another reason is the aiders and abettors, the employers who will not report the abuses.

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, I will address the House on social program review today in a slightly different manner than is usual.

I will direct my comments to the pages in the Chamber for a couple of reasons. I think the pages might well listen to me. I find it sometimes frustrating to stand in the House and I do not think I am necessarily being listened to. I should like to address these young, enthusiastic, keen students who have come to Parliament. They are smart. They are a good example of what Canada should reflect upon.

They are fluently bilingual. They are from all over the country. I notice a few of them gathering in the wings here. They are paying attention. They are listening to the fact that somebody wants to talk to them.

I know they are smart because they remember all our faces. They can call us by name. They are kind to me when I speak to them in French as I try to improve my French. They speak very slowly so I can comprehend what they say. I am speaking to them because what we are undertaking in this social program review will affect them a lot more than anyone else in the Chamber.

I will be dead and gone when the effects of the social program review are truly on the table. I speak to the pages and only to the pages. If others in the Chamber want to close their ears, look down at their papers and do other things, I give them my complete concurrence; I am not going to be upset if they do so. I do not think the pages will heckle me either. Maybe that is another benefit in talking to the pages.

• (1315)

Why are we undergoing a social program review in Canada today? During the election campaign a significant number of individuals got after me for the social program review thoughts that I had. I laid them out on the table pretty plainly. I did not find social program review to be a large part of the programs from some of the candidates who ran against me.

I read a very interesting article in *Maclean's* magazine just before the election. That article had a headline "Social Programs: The Cuts to Come". It described a process whereby we were going to undergo social program review no matter who was in power. It said it would not matter if it were the NDP, it would not matter if it were the Tories, it would not matter if it was the communist party from somewhere else, whether Reformers were in power or whether the Liberals were in power, there was going to be social program review.

I said there is no way that some of the parties that conducted this campaign could have a major social program review. I read the platform carefully. I said there is no way that the Liberals could have social program review. And here we are today with a major social program review.

I said to myself: Why are we now undergoing this social program review? Of course, the reason is staring us in the face. The reason is our debt. The debt leaves us with unsustainable social programs. As the article said, it would not matter who was sitting in the government benches, we would have that review.

I have had trouble in understanding the debt. All my life I have heard this spoken about. I am a car nut, a phrase that I bear proudly. I love old cars. I have a hobby of old cars. I finally figured out how I could explain the debt to the high school students. To the pages, here is what the debt means.

Each one of you young people in this chamber today owes to the federal government a brand new Camaro. It is a basic Camaro, not a fancy one. It has plain wheels. It does not have radial tires, it has plain tires. It is an automatic. It does not have electric windows, it has wind–up windows. It has a heater and it has a good motor. It will get you from home to the Parliament Buildings or from university to the Parliament Buildings every day. It is brand new. That is your debt to the federal government.

Do you know what the kids in the high schools said to me? They said: "Grant, where is my Camaro?"

If the current mandate of this government takes place and everything that they promise us unfolds, I say to the pages that they will owe the federal government a Z–28 Camaro. This Camaro will have alloy rims and an AM–FM stereo. It will not have a CD player. We are not quite that broke yet. It will have the big motor. Now, this motor is a hot motor, a 300 horsepower motor, zero to 60 in about 5.4 seconds. It has electric windows. It has nice thick upholstery in it. It is not the plain Jane model at all. That is their debt to this federal government.

When I told that to the high school students they really were upset because every one of them wants the Z–28 Camaro. They are beautiful cars, every kid's ideal. They said to me: "Where is my Z–28?"

The answer is: Your Z–28 you will pay for and it is in the hands of our federal government. Every single individual in Canada owes to the federal government that Camaro; every single infant, every single grandparent, every single member of these chambers. That is the reason that we are undergoing social program review.

The interest on the debt that we are paying is just paying for the borrowing each year. What a legacy to the pages. What a legacy my generation presents to you. Many of you, if you think carefully of this, will say: "Thanks a lot for the debt; thanks a lot for that legacy."

• (1320)

Will they look back with fond memories at their time here in these chambers? Will they look back and say: "I learned a lot as I was studying in university and was present and part of the history of these chambers?" I believe they will. Will they feel a part of Canadian history? We have a new Parliament. We have an opportunity with many new backbenchers who have never been tied to the old government ways, many individuals with bright thoughts, on both sides of the House ready to undertake new ideas, ready to reform the way government operates. Rookies. They know about the dissatisfaction of the public. They went to the doorsteps and heard the problems. Yet I see what I consider to be a slow slide back into some of the old ways of the old government.

I had an opportunity to sit with the HRD committee and talk about the consultation process it has undertaken. I am fully in agreement with the consultation process. Canadians need to know what the government is doing, need to have input, need to have the opportunity to reflect upon and express their viewpoint on the consultation process.

I am very critical of 15 members of Parliament flapping around the country like a wounded goose, going from major city to major city looking for public input. I am profoundly critical of the numbers of individuals who can reach them. I am profoundly critical of the cost of that exercise. I read that even though they have a somewhat crippled goose to fly around on, it will cost $800,000.

There is another mechanism for this government to consult the public on something like social program review. The mechanism is straightforward. The HRD minister presents a package that is very straightforward so that everyone has the same information. I look upon the best package as being a video. It would spread the HRD minister all over the country. I thought he would like that idea, with his smiling face in every townhall meeting.

Every single member of Parliament would take that video along with the background information and have townhall meetings throughout their constituencies; for the senior citizens in homes who do not get to have a consultation with the Minister of Human Resources Development and for those individuals in the small communities who are too busy to travel to the main cities. The cost would be very small. The taxpayers are already paying the member of Parliament's salary and already paying their way home. Who knows the constituency better?

That information would be gathered by the members of Parliament. They would come back and present that information to the committee which would look at all the input, profound input, close input, tight input, input that I think would be much more typical than special interest groups being paid for by the government to step forward.

I saw those individuals come to the committee before, one after another. I heard NIMBY, every single one of them with a NIMBY. At the second round of consultations the same people came back.

**Mr. McClelland:** Not in my backyard.

**Mr. Hill (Macleod):** I had an opportunity to say to them: "Who's paying you to come here?" I found that the government was financing not only their way here but the studies they were undertaking. One group had $40,000 for the brief that it came to the committee with.

We as individuals are paying not only for their trips but the briefs. Surely interested Canadians do not need $40,000 to tell the minister that there are specific things that they want him to conduct in social program review.

When I was an intern I once went mountaineering. Your pages, Mr. Speaker, are still young enough to be mountaineers. Let me tell a mountaineering story. I wanted to climb Mount Assiniboine, 11,870 feet, one of the really high peaks in the Rockies, a famous peak. It looks like the Matterhorn. It is a significant height to get to. I had a big back pack. I went with one of my buddies.

• (1325)

As we got into Assiniboia we met up with a fellow from California, a powerful looking young man with all the fancy equipment. I have never seen more mountaineering equipment in my life. It was the most modern, the best. He had ropes that were beyond our means. We had pretty inexpensive ropes and all our climbing equipment was used, tattered I suppose you would say.

We were going to climb Assiniboine and he asked to join us. Well, a pretty impressive group, but mountaineering is somewhat dangerous. We asked what his experience was. He had climbed all over, almost everywhere. He had climbed this peak, that peak, and had all this equipment so we said he should join us. He did.

We climbed early in the morning. You have to cross underneath the glacier in this particular spot. If you cross early enough in the morning the sun does not melt the ice and snow and there is very little risk. We crossed underneath the glacier at three in the morning, before the sun was up. We got to the place where the climb started to get a little bit risky, so we roped up. My buddy was on one end of the rope, the stranger in the middle, and myself on the end. We started to climb one at a time. The rope was simply for security.

We reached a point where there was a gravel slope with a very steep cliff at the end. The young man in the middle fell. He skidded down the gravel slope and went over the cliff. Of course the rope was designed so that we could arrest him. As I tried to get good footing, I also skidded down on the gravel, lost my footing completely and I was going over the cliff. This was 1,500 feet straight down. Gonzo, over the cliff. Luckily, because he was higher up on a better more secure spot, my buddy was able to arrest us both.

What lesson do I bring from this mountaineering story on Assiniboine to the pages? There is a huge risk in our society and the risk is that we will ignore our debt. The debt is going to pull us over the cliff and there will be no arresting us if we go over. The social programs will be gone if we go over that cliff.

We talk about review of the social programs. Forget the social programs if we go over the cliff of the debt. There are ample examples of this in other countries, New Zealand being the best one. The field I am so keen on is health care. I look at what happened to their health care system when they slammed into the debt wall. They went from a socialized health care system to one where every single visit to the doctor costs. Cough up, shell out. Do we want that in Canada? Do we need that in Canada? We do not. Social program review is necessary. Social program review is mandatory. You pages should have a part in social program review. I ask you, I beg you, I implore you to be involved. Speak up. Tell my generation what matters to you in social program review and, to the pages, thank you for listening to me.

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.):** Mr. Speaker, I think we should remind the viewers of what motion we are debating. It is Motion No. 15 which says that this House take note of the progress made to date on the government's forthcoming reform of social security programs and of the views expressed by Canadians with regard to this reform.

Last week when the House was not sitting I had a townhall meeting with an excellent attendance. I would like to share some of the views from my constituents in Toronto.

At that townhall meeting almost everyone in the audience agreed that a strong economy is the essence of a strong society. They also agreed with the government's two priorities, jobs and economic growth. The Government of Canada will meet those priorities by building a healthy fiscal climate, by getting the federal deficit down and eventually eliminating the public debt as some people have already stressed in this debate.

• (1330)

It will strengthen Canada's economic performance through investment, innovation and trade; review government programs and priorities, making sure that as a government we are concentrating our energy on the right things in the most effective way possible. Finally, it has the priority of reforming social security.

Why is reforming social security part of this agenda for growth? Because good social programs will put people and jobs together. The programs we have now do not do that well enough. It is time to rebuild and modernize our social security programs to build a system that will help people get back to work, help people get off welfare and build a better life for their families.

In education, prior to being a politician, I met families that were second and third generation on welfare. This has to stop. Our system will have to look squarely at the problem of child poverty and do something about it.

It is up to all Canadians to decide how we can build a system that works, that is fair, affordable and effective, with programs that open doors, not close them, to opportunity for people across our great country. The federal government has presented Canadians with some options for discussion. Now it is inviting all Canadians to consider how we can build such a system. How must our social programs change to stay in touch with the needs

people face today? What kind of programs make sense as Canada prepares for the 21st century?

At the town hall meeting I was asked why do we need reform? Because our social programs have not kept pace with the needs of Canadians. For too many people the system does not work any more. At this town hall meeting there was a qualified doctor who is on welfare. Because he got his training in another country he cannot work in Canada.

Canadian taxpayers are spending more than $38 billion a year on employment programs, UI, welfare, post–secondary education, child tax benefits and programs for disabled persons. Yet too many people are unemployed or find themselves caught in a revolving door going from UI to short term jobs and back to UI.

Too many children are living in poverty. Too many people are stuck on social assistance. They want to work, but under our present system they cannot afford to go to work. They are better off financially staying on social assistance.

Too many young people cannot get started in a career. It breaks my heart when I get a PhD graduate or a Master's graduate coming to my constituency office begging: "Mr. Flis, can you help me find work?"

In many ways the system keeps people on a treadmill instead of helping to solve their problems. Too many Canadians fall through the cracks. Too many Canadians find the rules stacked against them when they try to build better lives for themselves and for their children.

People here in Ontario know firsthand how urgent the need for reform is. Ontario today is at a crossroads. The recession and the effects of international competition have taken jobs we thought were secure. It has helped push unprecedented numbers of people on to unemployment insurance and social assistance rolls. Now that things are beginning to improve, our social programs do not do enough to help people to get back into the workforce.

We have been forced to recognize that our social programs were designed in an era that has passed into the history books. In 1993 the average unemployed worker in Ontario between the ages of 45 and 64 had been looking for work for 34 weeks. That figure masks the number who were facing much longer unemployment because of their limited skills and as a result of industrial change. For too many of them a plant shutdown meant a career shutdown. We can no longer afford that.

Ontario recognizes the need for reform as do all governments. Now is the time to work together. We need a system that works for people, that brings hope, that rewards initiative, that supports efforts to regain independence and the dignity of work. We need a system that Canadians can afford. All governments have to get spending under control if we are to take control of the future.

In my region we contend with four levels of government: federal, provincial, metro Toronto, Toronto and a lot of unnecessary duplication. We must do a better job in putting people and jobs together. Employment programs, things like job counselling, training, labour market information, work experience projects are a good investment if they help people get off UI or welfare and back to work. But existing programs do not work well enough.

• (1335)

We need to invest more in people, focusing on better tools to help people get jobs and better management to make sure those tools get results.

The green paper suggests a healthy debate around possible directions for reform, making progress more accessible to those who need help, especially people on social assistance and persons with disabilities. We must pay more attention to individual needs, with more assessment and counselling to help each person develop a practical action plan for getting a job.

People come to my constituency office complaining that they have to wait six months before they can see a counsellor, and as a result miss many opportunities.

We should consider giving communities, local business, labour, education and service groups more control over what kinds of programs are used and how they are used.

Another possible direction suggested in the green paper is encouraging more employers to provide training on the job. Why not? We can ensure that institutional training is relevant and effective. We can help people get work experience, for example by offering to supplement their wages if they are hired, or finding opportunities for community work, something we have not stressed enough. We can reduce duplication and waste in programs, with better co–ordination between the federal, provincial and local governments. We must pay more attention to results and help people get jobs and less attention to following rigid bureaucratic rules.

I mentioned as an example someone who came to my office wanting a course which was to begin in a couple of weeks. That course would have led to full time employment. So I said, great, why don't you take it, why don't you apply? He could not because he had to see a counsellor first. I asked him why don't you see the counsellor? The counsellor cannot see this person for six months because of the workload. Another opportunity is lost where someone could have taken a course which would have led to full time employment.

We must have unemployment insurance that makes sense. For too many people the UI program does not work any more. It does not help them get the skills they need for new jobs. It does not help people solve their employment problems. Too often it just makes those problems worse because there is no incentive or support for people to change. Canadians want a better UI program, one that is fair and affordable and helps unemployed people get good long term jobs.

Another constituent complained because she has been working for six years with the same company but it has always been on a part time basis. The employer saves all of the fringe benefits, et cetera. This has to stop.

One way to adjust the system is to make people work longer to qualify for UI or reduce the amount they receive. Or we could shorten the time people could collect UI. That might help but we need more than that. We should look at an entirely new employment insurance program, one that really helps people deal with employment problems. The hon. member mentions a newly–formed party in the past that led to unemployment instead of employment.

The discussion paper outlines one possible approach, a program that targets special help to people who have trouble getting a job. It would have two components; basic insurance and adjustment insurance. Occasional UI claimants, people who face temporary, occasional unemployment would get basic insurance benefits. This would give them income support while they looked for work, much as at the present time. The frequent UI claimants, people who keep having employment problems, would get adjustment insurance benefits. They would get much better help finding a job than they do now through things like better job counselling, training, or opportunities for community work.

Adjustment insurance benefits could depend on a person's willingness to take part in programs that would help them find work. Reformed programs will open more doors through learning. More than ever before the key to security for Canadians is learning. Education, training, skills are the only ticket to a good job.

More Canadians need opportunities for training and education throughout their lives. We all know now that learning is a lifetime process. While the provinces are responsible for education, the federal government plays an important role. But education and training cost money. How can we make sure that individual Canadians can afford the learning they need?

• (1340)

Some options outlined in the green paper include: making more loans and grants available for students; exploring a new form of income contingent repayment of student loans. These loans would be repayable only after a student graduates and enters the workforce. At that point a repayment schedule would be based on the borrower's ability to repay, given his or her income levels.

I am sure many of the members here receive students at their offices who are at a breaking point mentally because the previous government sent out collection agencies to collect the loans that they did not repay. How can they repay the loans if they cannot get a job? That has to change.

Another option is allowing more flexibility in registered retirement savings plans so that people could draw on those savings for lifelong learning. Our goal must be to preserve and broaden access to post–secondary education. A reformed program must provide a fair chance for all Canadians. This is a basic commitment at the heart of our social security reform, to protect those most in need. It is the same policy that we have in our foreign policy, to help those most in need.

That commitment will remain firm but we have got to do a better job. The system is not working despite the fact that spending on welfare and social services has jumped from $2.6 billion to more than $8 billion annually since 1981. Too many Canadian children live in poverty, more children proportionately than any other industrialized country except the U.S.A. Too many parents of those children spend years on welfare even though with the right kind of help they could find work. The problem is we do not give them the help they need.

The source of the problem is the outdated rules of the Canada assistance plan know as CAP. The rules place strict limits on how federal funding through CAP can be used. We have got to start looking at new ideas to help all Canadians get a better chance in life.

For example, how can we make the rules more flexible and put people first, giving the provinces more leeway to design programs that work? How can we start focusing more of our attention on long term solutions like preventing child poverty instead of just tinkering around with short term cures? Should we take some of the money we spend now and use it for special priorities like increasing the child tax benefit for low income families, or giving people on welfare more training and more help finding jobs, or providing more opportunities for people with disabilities so we do not have the incidents such as we saw yesterday on the news?

Many of the ideas behind social security reform are already being put into action here in Ontario through creative partnership agreements between the Ontario and federal governments.

The first of these will create a series of local labour force development boards across the province. The boards will give communities a real voice in training and employment development priority setting. It will give them the chance to put federal and provincial dollars to work on the needs they see around them. Real grassroots planning and action will mean that money is spent where it has the best chance to create results.

Another joint project, Joblink Ontario, will create about a dozen resource centres in communities across the province on a pilot basis. The $25 million that the federal government will contribute this year will match Ontario's contribution. These resource centres will help people on social assistance prepare for and find jobs. It will give them one–stop shopping for training and employment programs for all levels of government and community agencies. It will offer real support to people who can work and who want to work. Through counselling, labour market information and Canada employment centre job listings these people will gain the self–sufficiency they need to escape the welfare trap.

By working together the ideas behind social security reform are already becoming a reality in Ontario, but we cannot stop here. In the past generations of Canadians have risen to the challenge of building a society that cares, that has compassion for the disadvantaged, that supports those in need. This is a challenge each generation must face in turn.

• (1345)

It is now our turn, and I include every member in this Chamber. It is our turn to shape a system that works here on the eve of a new century. We should face this challenge with confidence. We can face this challenge knowing that as a nation our prospects for the future are good.

The federal government is putting in place a comprehensive agenda for economic growth and jobs for Canadians. We can make social security reform an integral part of that agenda. As demonstrated in my town hall meeting of last week Canadians want a better system. By working together we will build a better system.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, our debt is rising at a fantastic rate since this government came into power. Admittedly, some of it would have been the fulfilling of obligations from the previous government. We do not know the number but most likely we have slipped another $40 billion into debt.

I have a question with respect to the speed with which this is coming about. After a year we finally have a discussion paper which we are now supposed to start talking about. Canadians were already talking about it before the last election. By now I would have liked to have seen a good system of cost analysis with options on these different programs so that we could begin making choices and start making the necessary cuts in order to prevent us from sliding into debt so deeply that we will never get out.

I would like the member's comment on the whole question of speed and urgency with respect to this debate that is going on.

**Mr. Flis:** Mr. Speaker, I welcome that question. I get the same question from many constituents: Why is it taking so long? Why not do it tomorrow?

If you want a true consultative process, if you honestly want to get input from the grassroots Canadians it will be a slower process. By listening to Canadians you have to determine what programs are of highest priority, what programs are of the least priority. Then as a government jointly with all parties in opposition we have to decide which programs we must continue funding and which programs can be dropped. Then we have to see what kind of resources, how many public service personnel we need to match those programs and what kind of financial resources we need to match those programs.

We lead the public astray when we complain we are not moving fast enough. We are moving very quickly when you consider the kind of input that the minister, the parliamentary secretary, and individual members from all three parties are getting through town hall meetings. I think we are moving fairly quickly.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I have a follow up comment and question to try to determine the member's motivation for the social policy review.

He mentions in his opening remarks the reason the review is necessary is that the programs are not working properly for Canadians any more. Other people would argue that a financial motivation is actually driving it. The agenda is being driven because we must change because we cannot foot the bills.

In his opinion which is the case? Is it the case that we must change because we are going to go over the waterfall that another member mentioned earlier today? Or is it because they are not just working well? I am wondering which is the priority.

**Mr. Flis:** Mr. Speaker, we ran on a platform of putting our own house in order first. When I say we, I include all of us. To get our house in order we have to look at the programs and which ones we can afford.

We give out $38 billion for programs and services but we spend more than that in paying the interest on the public debt. I know we agree on that. We see eye to eye. We are going to have to reduce the annual deficit and bring down the public debt. I do not think we can wait for one and then the other. All of this has to go hand in hand.

• (1350)

I know the Reform Party would like to reduce the annual deficit in one year and wipe out the public debt in one or two years. If we did that we would put so many people out of work that we would really bankrupt this country because it is jobs that create the resources and funding that we need to carry on.

Let us not forget that even with all of our deficit and public debt, et cetera the United Nations still named Canada as the number one country on this planet in which to live. Therefore, we must be doing something right. We are not perfect and we never said we were, but we must be doing something right for a United Nations organization to put Canada that high on the map measured against certain social protection.

[*Translation*]

**Mr. Jean Landry (Lotbinière, BQ):** Mr. Speaker, I will share my time with my colleagues in this House by splitting it into 10–minute periods.

The least that can be said is that the Liberal government has finally achieved unanimity. In every province, a mass movement is taking shape against the proposed reform of social programs. I predicted—and I was not the only one—that the people would rise up against this reform whose prime objective is very clear: to meet the finance minister's budget requirements by slashing social programs. Yesterday, it was thousands of angry students, as the minister's dry cleaner can attest to. Tomorrow, it will be all the others who have nothing but whom the government is still going after. The only objective is to cut social programs.

The government plans to announce additional measures in its 1995 Budget, as it states on page 23 of its discussion paper. We know that the government has prepared a secret document specifying that the $7.5 billion in cuts announced in the last Budget will be supplemented by another $7.5 billion in cuts over five years.

I will now deal with the minister's proposal to address the current unemployment problem. His favoured option will introduce a second class of unemployed, that of workers with precarious jobs. Women and young people, who hold the majority of these jobs, will be the main victims of this reform. With this proposal, the minister creates cheap labour. In addition to compulsory employability measures, these unemployed people will be required to participate in community work. They also want these second–class people to pay higher premiums in return for lower benefits. Indeed, the government feels that some citizens are just lazy bums who lose their jobs on purpose. It wants to treat the unemployed like thieves sentenced to community work.

The federal government has always stressed that unemployment insurance was a generous system aimed at redistributing the wealth across the country. Yet, the minister's paper states that it may—repeat, may—become necessary to put in place special programs for seasonal workers to offset the negative impact of reform on regions with very high unemployment rates. If the government does not give that assurance in its document, this is cause for serious concern.

Earlier this week, a cartoon in a Quebec daily depicted a producer selling his corn for 75 cents a dozen, at –30 degrees. This is what the government wants seasonal workers to do.

As regards manpower training, the federal government continues to dismiss Quebec's claims. It wants to maintain national standards to bypass provincial initiatives and let local communities decide which programs they want to implement. The government is again trying to impose its famous single–window concept, which perpetuates overlapping and duplication, this time under the same roof. Talk about improvement! While all every stakeholder in Quebec agrees on the need for an integrated provincial policy on manpower development, the federal government persists in wanting to control everything. Ironically, the proposal made by the government in its report is the same one which was rejected last summer by the former Quebec Liberal government.

• (1355)

By persisting in maintaining and even increasing their involvement in manpower training, the Liberals only contribute to the administrative mess they know exists. In Quebec, $500 million were wasted within two years.

As we all saw, many students came here yesterday to demonstrate. Several women called me and said: "Can you tell me, sir, what will happen to me with the new social program reform? My husband earns $50,000 and I earn much less compared to him, but I do pay unemployment insurance premiums".

I told this woman: "Look, in all honesty, I think that you should get the service for which you pay". But this is not what the reform will do. The reform will ensure that you pay, but that you do not get the service.

I should tell you that one group of workers I helped at the union level went to court because they had paid for a service they never received. These people, who may be paying unemployment insurance premiums, will now be able to say: "I contribute to the unemployment insurance fund, and my husband earns so much money. I will no longer pay unemployment insurance premiums, since I will not be entitled to benefits".

It only makes sense not to pay for a service you will not get. We should not focus only on the negative aspects of the reform. At one point, I asked why a reform of the unemployment insurance program was undertaken. I was told that too many people cheat the system. I said fine, can you tell me the percentage these people represent. The answer was 1 per cent. One per cent are cheaters, and because of that one percent, the 99 per cent who are honest, who have not done anything wrong, will be penalized.

That is totally unacceptable. I entirely agree that reform is necessary, but we should not penalize the most vulnerable in our society and we should not penalize all women in Quebec and

Canada by withholding unemployment insurance benefits because of a tax bracket that is beyond a certain level.

There are alternatives, and I can suggest a few simple ones. I agree that reform and cuts are necessary, but leave the most vulnerable members of our society alone, once and for all. Go after the multinationals that make millions of dollars in profits and do not pay taxes.

I have had enough. I can no longer go along with this system. There is something I have to tell you, Mr. Speaker. You saw those young people demonstrating on Parliament Hill. I would urge the unions, I would urge all workers to get up and come to Ottawa to demonstrate against these measures which are intolerable, and I can tell you I will be there on Parliament Hill with those groups, with the most vulnerable members of our society.

**The Speaker:** I believe there are five minutes remaining in the period for questions and comments. We will continue after Question Period.

It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to statements by members pursuant to Standing Order 31.

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# STATEMENTS BY MEMBERS

[*English*]

## SENIOR CITIZENS

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Mr. Speaker, among Canada's senior citizens there is a strong desire to remain autonomous and stay in their homes as long as possible.

Home adaptations and safer consumer products can play an important role. Increasing the level of awareness among health, housing and support service professionals and seniors themselves about home adaptation resources and opportunities, as well as information about safety in the home can help seniors maintain their independence and remain in their homes with greater comfort and security.

Health Canada, Canada Mortgage and Housing Corporation and the Canadian Association of Occupational Therapists all support the Canada Safety Council's 1994 National Seniors Safety Week campaign, November 12 to 18. Together we can work to meet the safety and housing needs of this important segment of our Canadian population.

[*Translation*]

## CULTURAL COMMUNITIES

**Mr. Maurice Godin (Châteauguay, BQ):** Mr. Speaker, this week Quebec emphasizes the vital contribution made to our society by members of our cultural communities.

At a time when Quebec is preparing to choose the country it wants, this intercultural week should not be seen as another forum for dialogue but as an opportunity for co–operation and for actively promoting membership in a common culture while respecting one another's differences.

Since Monday, the unions, schools and municipalities, to name a few, have been organizing numerous activities that demonstrate how open Quebec is to its citizens from other countries and other cultures. For instance, we have the Association des droits des minorités du grand Châteauguay, which will hold a seminar called *Contact 1994*, an opportunity to celebrate these much needed intercultural ties.

Our cultural communities are important to Quebec, and the Bloc Quebecois fully supports them.

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[*English*]

## GUN CONTROL

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, the bedrock of the Canadian legal system is the British common law.

It is unnerving to know that our justice minister, Canada's top lawyer, has so little regard for the common law that on May 4 in the House he stated that the possession of personal arms is not a right but a privilege granted by the state.

He should reread his Blackstone. This greatest of all British jurists pointed out in his commentaries that without the auxiliary right to have arms, the absolute rights to life, security of person, liberty and property are illusory.

There is already more than enough regulation of firearms in Canada. Do we really want to continue sliding inch by inch into the Mexican model where firearms are restricted to criminals and agents of the state?

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## ATLANTIC CANADA

**Mr. Paul Zed (Fundy—Royal, Lib.):** Mr. Speaker, I rise today to say that enough is enough. I have grown sick and tired of hearing anti–Atlantic Canadian comments coming from members of the Reform Party. Not only are they attacking Atlantic Canada but they are using untruths and distortions in

their partisan attempts to pit region against region. This is unacceptable.

One of the worst offenders is the member for Fraser Valley West who has been slandering the hard working scientists and researchers at the University of Moncton's food research centre.

Out of respect for the truth, the ACOA contribution was not to make jam as the member suggested. It assisted in research and development for the small fruit industry. This R and D contributes to the development of new markets for products from soft drinks to jellies. This is no small industry to take a knock at. For example, the blueberry industry alone provides 10,000 direct jobs for Atlantic Canadians and generates $35 million in revenues.

The Reform Party members should tread lightly when they attempt to slander the business efforts of hard working Atlantic Canadians. They will never be a national party—

**The Speaker:** I would encourage members to use words such as slander and untruths judiciously. We are walking a very tight rope in using these words. I would ask all hon. members to truly consider if and when they want to use that type of word in this House.

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## EAST TIMOR

**Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.):** Mr. Speaker, last Saturday, November 12, was the third anniversary of the Dili massacre in East Timor.

Since the Indonesian armed forces invaded East Timor in 1975, one–third of the nation's population has been killed, resulting in the worst genocide on a per capita basis since the holocaust.

Despite two UN Security Council resolutions condemning this invasion and requesting the withdrawal of Indonesian troops, no action has been taken by Indonesia to withdraw or the UN to enforce.

Since our Prime Minister in opposition said that he would take action to support the UN resolutions, I urge the Prime Minister to follow through on his commitment to raise this issue at the United Nations and elsewhere and to stop all arms sales to Indonesia.

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## MS. SUU KYI

**Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.):** Mr. Speaker, on September 20 I stood in the House to draw attention to the continued imprisonment of Ms. Suu Kyi, the leader who was democratically elected by the majority of the Burmese people. Ms. Suu Kyi has been under house arrest since 1989.

• (1405)

Burma's military regime did meet with Ms. Suu Kyi on September 20. However, during this meeting they did not give a commitment or a time frame as to when they plan to release her.

I urge all my colleagues here today to remain vocal on the subject of Burma. I ask all my colleagues from both sides of the House to support a motion urging the United Nations General Assembly to condemn the current Burmese military regime and restore democracy to Burma.

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[*Translation*]

## CRTC

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, there are reports in the newspapers today that a CRTC analyst did believe that the Minister of Canadian Heritage was lending his support to the licence application submitted by one of his constituents, and he did so long before the minister argued publicly that he never intended to influence the decision of the CRTC. The analyst even advised the CRTC committee reviewing the licence application in question accordingly.

So, this was much more than simple carelessness, as the Prime Minister claimed it was. These recent revelations show that the minister in fact interfered with the operations of the CRTC, a quasi–judicial organization operating at arm's length from the government. This new information confirms that the minister has lost all credibility by now.

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[*English*]

## LIGHT STATIONS

**Mr. John Duncan (North Island—Powell River, Ref.):** Mr. Speaker, yesterday during the Senate standing committee meeting on transport, Liberal senators defeated a planned fact finding mission to British Columbia next week to hold public consultations on the future of light stations.

The mandate and terms of reference were granted long before the coast guard announced the destaffing initiative. This is flagrant political initiative by Liberal senators to block input by concerned citizens and associations into the future use of light stations on the west coast.

An ad hoc parliamentary committee on light stations, jointly chaired by Senator Pat Carney and myself, was struck today. It will undertake this initiative and hold public hearings next week in Richmond, Sidney and Campbell River. The hearing group will be composed of two other senators and MPs.

We welcome participation on this committee from other federal parliamentarians.

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## TELEPHONE CITY MUSICAL SOCIETY

**Mrs. Jane Stewart (Brant, Lib.):** Mr. Speaker, on November 11, residents of Brant had the chance to remember the thousands of Canadians who have paid the ultimate price for our country. Again this year one could hear at the Brantford cenotaph the music of the Telephone City Musical Society. In fact, the band has played every November 11 in Brantford except two since 1919.

This year the band celebrates 75 years of providing music for parades, concerts and ceremonies in Brant. During these years highlights from the band include playing for the royal visit to Brantford in 1939 and playing on the same stage as the Boston Pops Orchestra in 1978.

Congratulations and many thanks must be extended to all members of the band, past and present, for their contribution to the quality of life in Brant. Special congratulations go out to Mr. Bert Locke and Mr. Fred Nicholas who are celebrating 57 and 48 years of service to the band respectively.

On behalf of the residents of Brant, I would like to say that their contributions are very much appreciated.

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## ATLANTIC CANADA

**Ms. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, I rise today to express my concern over the disturbing increase in anti–Atlantic Canadian sentiment coming from members of the Reform Party.

The Reform Party does not speak for westerners on this issue. First it was the Reform member from Capilano—Howe Sound who made insulting comments about westerners being tired of hearing Atlantic Canadians whine for more subsidies. Now in the same vein the member for Fraser Valley West has attacked entrepreneurial spirit in that region, stating that westerners are more money wise and work harder than their Atlantic counterparts. When will this stop?

All Canadians have benefited at some time or another from government support, even British Columbians. As a British Columbian I am personally ashamed of this tactic. Rather than slander our fellow Canadians on the Atlantic coast for political gain, we in the Pacific should be more understanding.

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## FOLK OF THE SEA

**Mr. Fred Mifflin (Bonavista—Trinity—Conception, Lib.):** Mr. Speaker, on November 13 and 14, I along with several thousand citizens of Ottawa and Toronto was fortunate to witness the inspirational concerts given to packed houses by the Folk of the Sea.

• (1410)

Folk of the Sea consists of 110 fisherpersons from Newfoundland and Labrador who have come together to prepare their gift of song and story and to proudly present this heritage to the people of Canada. Everything that has been of consequence to Newfoundlanders invariably centres on the necessity that grafted us to the salt water trade. Our speech, our song, our common memories that shape and temper what has come to be recognized as characteristically Newfoundland was portrayed in a powerful and moving manner.

When we in Newfoundland and Labrador face the greatest challenge of our 500–year history in the fishery, which has been our sustenance, our occupation and our craft, it has never been more important to share our bounty of music and narrative with other Canadians.

I ask this House to join me in extending heartiest congratulations to this talented group of ordinary Newfoundlanders achieving extraordinary results as Folk of the Sea. We believe in Newfoundland and Labrador.

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[*Translation*]

## SOCIAL PROGRAM REFORM

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, we are finally finding out the real impact the cuts the HRD minister is contemplating as part of his social reform plan.

The Quebec government announced yesterday that the minister's cutback frenzy will force another 45,000 or so Quebec households onto welfare. This translates into tax increases of over $340 million for Quebec taxpayers.

That is real impact of the minister's plan cynically dubbed "from unemployment insurance to employment insurance". The minister will no doubt argue that you cannot make an omelette without breaking eggs, but he will have to come to the realization that his reform will create unbearable poverty in several regions. Again, this government is cutting where it hurts the most.

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[*English*]

## PRIVATE HEALTH CLINICS

**Mr. Grant Hill (Macleod, Ref.):** Mr. Speaker, health care is far too important to be partisan with. Last week our health minister went on national TV and singled out Alberta's private clinics because they charge facility fees directly to the patient while the doctor's fee is paid by medicare.

When I pointed out to her that exactly the same thing is done in every province, stunned silence. When I asked the minister to clarify, she waffled. When I challenged the minister to a debate, she ran like a scared rabbit.

Private clinics are an offshoot of this country's financial crisis. Our debt is squeezing the life out of social programs like health care. When the health minister was in opposition she knew this was true. Now the chickens are coming home to roost.

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## PRIVATE HEALTH CLINICS

**Hon. Audrey McLaughlin (Yukon, NDP):** Mr. Speaker, on September 20 I raised the issue of private health clinics in Alberta with the Minister of Health. Since then she has done nothing to enforce the Canada Health Act. Members of the Reform Party have been raising this issue but the Reform Party is clear in its intention to move Canada toward a two–tier health system.

The Reform Party wants to end the national system of health care that we have in this country. Clearly, with this kind of opposition the government will do nothing to enforce the Canada Health Care Act.

While the Reform and Liberal parties bicker, the province of Alberta is allowed to continue this violation of the Canada Health Act. I urge the minister to act today to end what is a very clear violation of the Canada Health Act. End it before we have two health care systems in Canada, one for the rich and one for the poor.

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[*Translation*]

## MCSC ELECTIONS

**Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine, Lib.):** Mr. Speaker, *Le Soleil* reported recently that the Leader of the Official Opposition denied that his party was trying to infiltrate the Montreal Catholic School Commission. He said that they were not trying to infiltrate any school board or municipal council in any way.

How can the leader of the Bloc limit himself to such a simple explanation for the bias his members have shown for a particular school board party, when two of his members have made public statements flatly contradicting him.

The Canadian press reported a Bloc member as saying, "I am not necessarily talking about infiltration, but I am asking you to be there in large numbers". We ask the Leader of the Opposition to restore discipline in his caucus and thus ensure that Montrealers will have free and democratic school elections, not shameless ideological infiltration for the separatist cause.

[*English*]

## CRIME CARDS AND BOARD GAMES

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, I am pleased that the report on crime cards and board games was tabled in the House of Commons yesterday. Crime cards and board games have no redeeming cultural value. They glorify and commodify heinous crimes and make heroes of those who commit those crimes. At the same time they devalue the terrible losses experienced by the victims' families and loved ones.

Many Burlington residents, in particular Deborah Mahaffy, a mother who lost her daughter, a victim of violent crime, have been deeply involved and active in this issue. By writing letters, distributing and signing petitions, acting as a witness at the justice committee, she encouraged others to get involved in an issue that affects the attitude of youths and adults.

• (1415)

Canadians are concerned about the long term impact of the absolute violence contained in some of our entertainment products. Women and children are directly affected by them.

As legislators it must be our goal to work toward the day when every person in our society lives without the threat of violence. Members, join with me in moving this legislation forward.

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## MPS PENSIONS

**Mr. Jim Silye (Calgary Centre, Ref.):** Mr. Speaker, next Monday 52 MPs of the class of '88, 46 Liberals, will be eligible for their gold plated pensions for life, worth $53 million. This is on top of the estimated 480 current recipients who will cost taxpayers almost half a billion dollars. That is a lot of money for the services of former backbenchers, former frontbenchers and former prime ministers.

Reformers have had it. Canadians have had it and yes, even the steelworkers in Hamilton have had it. It is time for the Liberals to get off their high horses and reform this ridiculous MP pension plan now before they decide to cut RRSPs.

The Prime Minister promised action one year ago but we have seen no action. Reformers cannot even opt out. Could it be that he is waiting for his colleagues to hit pay dirt on November 21?

Stop stalling, stop talking the talk, start walking the walk like Reformers. Start living in the real world like the taxpayers who pay our salaries.

# ORAL QUESTION PERIOD

[*Translation*]

## NATIONAL DEFENCE

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, Major Barry Armstrong, senior medical officer of the unit in which several members were accused of murdering and torturing Somali civilians, said that he was ordered by superior officers to destroy photographs showing Somali patients who were tortured, so that these photographs would not be used as evidence against other Canadian servicemen.

Yesterday in this House, the defence minister tried to minimize the serious allegations of Major Armstrong, who says that he kept some photographs, despite the order to destroy them.

My question is for the Minister of Defence. How can the minister continue to trust the military investigation, when senior army officers ordered the destruction of photographs that could be used as evidence against servicemen accused of torture and murder?

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, contrary to what the hon. Leader of the Opposition has stated, I did not and I do not try to minimize the awful events that occurred in 1993 in Somalia with members of the Canadian forces serving under the UN banner.

However the hon. member must realize that a number of charges were laid as a result of investigations conducted concerning members of the armed forces. Those charges are being adjudicated at present. In fact an appeal which the crown has initiated—I believe the crown has initiated appeals on most of the verdicts so far—will commence next Tuesday. The last of the original charges will be heard next January or February.

Whatever I say or do and whatever the hon. member says and does should not impinge on the rights of the accused for a fair trial.

That having been said, the allegations that were raised yesterday by Major Armstrong were indeed quite troubling to me as the minister. As a result I have decided under the auspices of the National Defence Act to have an inquiry that will continue either after the original courts martial or after the court martial appeals are heard. I am seeking legal advice on that. This inquiry will be totally public. It will be totally civilian. The chair will be a civilian. The members of the original inquiry will be invited to participate.

[*Translation*]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the minister told us that the case for which a conviction was obtained, involving only a private, has been appealed. I ask him if he thinks that the appeal can be effective, since it must be based on the evidence already accumulated, without existing photographs in the possession of Major Armstrong and other photographs that were destroyed?

So I ask him whether, in these circumstances, he can go on trusting military justice for the case under consideration. Should he not ask himself the troubling question as to whether the destruction of some photographs has made it possible for other military people to escape justice?

• (1420)

[*English*]

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, it is a basic premise of jurisprudence that a person in my position cannot comment on the facts when a trial is ongoing.

I would like to address the question of military justice. Military justice has a long, noble tradition in this country. It has been upheld as being constitutional by the Supreme Court of Canada. However, once the courts martial are completed then the crown and individuals if they are dissatisfied with the verdict have a right to appeal.

The court martial appeals court is headed by a member of the Federal Court of Canada. Next Tuesday the acting head of the court martial appeals court or the justice of the Federal Court, perhaps himself or one of his colleagues, or with one of his colleagues, and perhaps with members of the supreme courts of the various provinces, perhaps even the province of Quebec, will hear the first appeal.

I want to emphasize that what we have here is the military justice system which has been ongoing. However the appeals when they are deemed to be appropriate are being heard by civilian authorities.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, given the fact that additional photographic evidence exists in the matter of the torture of Somali civilians by Canadian soldiers, how can the minister claim that justice has been rendered?

What steps will he take to make sure that the evidence relating to the pending case, now in appeal, will be enriched with existing conviction documents which are in the hands of Major Armstrong?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the question raised by the Leader of the Opposition is a matter for the court to decide, not for me as Minister of National Defence.

As I said yesterday, if Major Armstrong or any other person in the Canadian Armed Forces has any evidence that may be germane to any one of these cases, that evidence should be made available to the military police who are conducting investigations.

One was reopened dealing with the question of photographs some time ago and the other deals with the other events related to the allegations that have been made concerning the words "cover up" or the allegations of cover up on the part of the Canadian Armed Forces.

I would invite Major Armstrong or any other person to make that evidence known and then we will let the courts decide as appropriate.

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[*Translation*]

## COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The mayor of Saint–Jean has made public the elements of his proposal to allow a gradual transition for the military college in Saint–Jean, which would become a university–level civilian institution. He thinks that there should be a gradual transfer of all officer cadets to Kingston and that the closure should not be brutal but civilized.

Now that he has in his possession the proposal made by the mayor of Saint–Jean, which is supported by the Quebec government, does the minister still intend to reopen the discussions on the closure of the college in Saint–Jean, especially since the Kingston barracks cannot accommodate the officer cadets from Saint–Jean?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the proposal made by the mayor of Saint–Jean contains two elements we agree with. First, it is essential to demilitarize the college in Saint–Jean and turn it into a co–ed institution. Second, we need a transition period.

We now have an agreement providing for a five–year transition period, a military presence of between 100 and 200 students who will take language training during the five–year period and $5 million a year for a total of $25 million over the five–year transition period.

We therefore believe that, although some of the arguments put forward by the mayor of Saint–Jean are valid, the agreement signed on July 19 by the governments of Quebec and Canada provides for a more appropriate transition period and better meets the needs of the Saint–Jean community and of keeping the college open.

• (1425)

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, the minister said several times that the transition would occur without problems. How can the minister continue to claim that transferring the operations of the Royal Military College in Saint–Jean to Kingston will occur without problems, when only 20 of the 250 employees of the college in Saint–Jean have agreed to move to Kingston?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the hon. member seems to forget that there are already bilingual classes as well as francophone teachers and students in Kingston. In fact, 17 per cent of Kingston's student population is French–speaking, all courses will be offered in both official languages this year, and all teachers will be bilingual within a few years. As a result, there is no problem in transferring military activities to Kingston with respect to bilingualism and the accommodation capacity.

* * *

[*English*]

## IMMIGRATION AND REFUGEE BOARD

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, over the last few weeks there have been allegations of infighting, bullying, corruption and influence peddling at the Immigration and Refugee Board. The most damning allegations now come from William Bauer, former ambassador and champion of human rights who resigned from the board in disgust in March of this year.

According to this distinguished Canadian, the independence and effectiveness of the IRB are being undermined by constant pressure from the legal lobby and advocacy groups, in other words by those who stand to profit from the system.

Does the minister accept the truth of Mr. Bauer's analysis? What is the minister's position on allowing advocacy and lobby groups, the legal lobby, to unduly influence and profit from the activities of the IRB?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I responded to the leader of the Reform Party yesterday by saying that if he or any other member of his party have any evidence about any influence peddling, whether it be at the IRB or anywhere else, it is a matter for the Criminal Code. Rather than simply lobbying, he should provide evidence.

Second, the 211 members of the Immigration and Refugee Board are there to adjudicate refugee asylum cases. It is not for the minister or for members of Parliament or for NGO groups or for lawyers to unduly influence any member. They are there to do a job. They have an important mandate. It is an institution that works. It is a model that is respected internationally.

Rather than tearing down the system, we should be seeking reforms and modifications on how to make the system better and how to build up this federal institution.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, Mr. Bauer does not think it works. Obviously someone is profiting from the IRB process. Most immigration lawyers can earn two to three thousand dollars at least per refugee claim.

In the past the minister has appointed over 50 immigration lawyers to the IRB. Coincidentally, the acceptance rate for refugees has jumped from 55 per cent last year to approximately 80 per cent in recent months.

Will the minister tell the House whether the currently high acceptance rate of 80 per cent is a reflection of his government's policy, or is it evidence that the IRB has been captured by those interests that stand to profit from excessively high acceptance rates?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I understand the narrow, vested interest of his questions and his party.

What we have to do is stand up in the public interest. In so far as the public interest is concerned, he owes the House and the public interest the evidence of those charges of profiteering and influence peddling. It is simply not good enough that he lob over these very serious accusations without backing them up.

Second, there is no policy of the Government of Canada or a minister of the crown or members on the government side with respect to what is an acceptable or non–acceptable threshold. That is not the business of government or a member of Parliament or the minister.

• (1430)

The individuals adjudicating who is and who is not a refugee are the members of the refugee board. That is why they are quasi–judicial and at arm's length. It is to protect it from such scurrilous allegations as we see today.

**Mr. Preston Manning (Calgary Southwest, Ref.):** Mr. Speaker, the minister's excuses, denials and half baked measures do nothing to restore confidence in the IRB. It has gone too far for that. The allegations are too serious and too many. They range from influence peddling at the board to fraud charges being laid, even to RCMP investigations.

The minister has it within his power to order a judicial inquiry into the IRB members. Given the allegations that have come to life over the last few weeks, will the minister stop making excuses for inexcusable behaviour and order a judicial inquiry into the IRB?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the member continues to make inexcusable, unfounded, serious allegations.

What do we have before us? We have before us a board chairman's report and a response from the deputy chair which will be considered. I mentioned to the leader of that party during this week that the decision will be made before the week's end. I know it does not bring him any satisfaction, but in this country we do things according to facts and due process, not jungle justice a la Reform Party.

* * *

[*Translation*]

## IMMIGRATION

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, my question is for the Minister of Citizenship and Immigration. I was shocked to read in the papers this morning that immigration authorities are about to deport a woman from the Seychelles Islands and her two children.

Immigration Canada refuses to take into consideration the letter of threat written by the woman's husband, who was sent back to his country, in which he says that he will kill her when she returns to the Seychelles.

Considering that the minister has released gender guidelines to protect refugee women who are victims of spousal abuse, does he not think that the death threat made to Mrs. Sabadin warrants his immediate intervention to prevent that woman and her two children from being deported to the Seychelles tomorrow, where she might be killed?

[*English*]

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the member should know that this morning officials gave this particular woman a two week reprieve so that the review can take place to ensure ourselves and officials of the humanitarian and compassionate request. I think the hon. member should be pleased.

[*Translation*]

**Mrs. Maud Debien (Laval East, BQ):** Mr. Speaker, can the minister guarantee that the deportation order will be quashed in the next two weeks?

[*English*]

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** No, I cannot guarantee that, Mr. Speaker.

One party is saying no one should come in. Another party is saying no one should leave. What we have to say is that this individual has been given a chance for a review to see if in fact those gender guideline reviews are legitimate.

I do not believe it would be very fair for any minister to guarantee anything before a review takes place.

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## NATIONAL DEFENCE

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, on April 29, 1993 the present Minister of Human Resources Development in praising soldiers who came forward with public evidence of wrongdoing in Somalia said, and I am quoting from *Hansard*: "They have taken a very courageous stand because they saw something they thought was wrong. They deserve an open inquiry". I understand the Minister of National Defence is moving toward that position.

Will the minister not agree that the actions of Major Armstrong and others who may possess information and may be reluctant to give it to the present system are fully justified when they know that system has not acted upon information and when that system asks for the destruction of the very evidence they possess?

• (1435)

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I do not share the assumptions upon which the question was based.

I did announce a few minutes ago that there will be an inquiry under the auspices of the National Defence Act. It will be public and will be headed by a civilian. It will be available for people such as Major Armstrong and all others to come forward with any information and any charges. Hopefully, they will be totally satisfied.

I want to make it plain that this government has nothing to hide. These are events that occurred before the 1993 election. The Minister of Human Resources Development when he was in opposition was fully justified in making those comments and calling for an open inquiry. We have done that.

What I am concerned with is to act in a way that would not prejudice the course of justice. I hope the hon. member will understand that.

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, yesterday the minister indicated there are two ongoing police investigations in addition to one suspended investigation. Yet two months ago the department's public information officers indicated there were no ongoing investigations into the Somali affair.

Why are these investigations occurring 18 months after the fact? Why is this kind of information not made public until it is raised in the House or appears in the media? Why will the minister not provide right away an open inquiry for information on this to be presented to the public?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the statement to which the hon. member referred made by public affairs officials at national defence some time ago were at that time true. Investigations have been closed, but because there had been allegations of cover–up the military police reopened one investigation. Subsequently there were charges made about photographs being concealed and another investigation was opened up to deal with that matter.

I should raise another point. I have tried to act as expeditiously as possible given the fact that we do want to protect the course of justice. I would have made this announcement yesterday, but out of courtesy to the Prime Minister who was only informed of this matter this morning, I felt I should not act until I had his agreement.

* * *

[*Translation*]

## POST–SECONDARY EDUCATION

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development. The minister's answers to questions from the Official Opposition and to claims from students, who held a demonstration yesterday on Parliament Hill, only confirmed our greatest fear, namely that he will increase the burden of students through additional loans of $10 billion, over a ten–year period. That money will be available because of cuts in transfer payments to provinces for post–secondary education.

Will the minister admit that the statement he made yesterday confirms his intention to transfer $10 billion from the federal debt to the students?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** No, Mr. Speaker, because that is not what I said.

First I have pointed out to opposition members on several occasions that the government does not intend on going back to its February budget statement to cut the transfers to the provinces. The transfer of over $6 billion is to be maintained based upon our fixed 1993–94 level. I will repeat that there are no cuts to the transfers to the provinces. The provinces will receive exactly the same amount of money, over $6 billion of transfers.

What we did suggest is that the cash portion of that which is receding at the same time the revenue of the provinces is going up to the tax revenue could be used to help lever an additional $2 billion. If you took $500 million of that savings you could almost get a four or five to one addition. We would also have a grants program to help students in need.

Rather than a $10 billion debt load it would mean we would be able to add $10 billion to the existing system's contribution to higher education for better laboratories, more classrooms, more

scholarships and more accessibility for students. That really is the choice that is being made. I would like to know why members of the opposition are against putting more money—

• (1440)

**The Speaker:** My colleagues, I would appeal to you once again to please keep the questions and answers a little bit shorter.

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, the more explaining the minister does, the more complicated it gets! The bottom line is that the minister is only offering students the possibility of incurring an additional $10 billion debt. Period.

Will the minister admit that this option, which consists in getting more into debt, is the only solution he could find to make students absorb the increase in tuition fees which will result from his reform?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I understand the difficulty the hon. member has dealing with conflict problems. He only has simple solutions to those problems.

I would suggest to him that the best way to deal with the problems is to sit down and have a discussion. Do not go to the barricades, do not have angry protest, but sit down and share information and deal with the various options and choices. Look at the ways as a country we can bring governments together at the federal and provincial levels, we can bring members of the university community together. We can work together to find an answer, not to try to create confrontation, not to try to create disputation, but in fact to create agreement. That is the kind of process we want to provide.

If the hon. member bothered to read the various proposals in the book perhaps he would finally understand that what we want to do is rebuild this country's higher education system.

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## MEMBERS OF PARLIAMENT PENSIONS

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, in March the government received a report reviewing MP pensions. At that time it indicated it would be introducing legislation to overhaul this pension scam in the immediate future. That was eight months ago, yet no action has been taken on this matter.

Could it be that perhaps there was pressure from within the Liberal caucus to wait until after next Monday, trough day, when 46 MPs will be eligible to collect pensions? Will the President of the Treasury Board give us a definite deadline for the enactment of legislation to overhaul this scandalous pension plan?

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, we made it clear and the Deputy Prime Minister made it clear earlier this week that we are living up to our red book commitment with respect to MP pensions.

I do not anticipate that the hon. member who asked the question is planning on resigning. We are all here for a full term that will go on substantially more years. There is lots of time to deal with this but we will be dealing with it very soon. We will be living up to that commitment in the red book.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, the best time to deal with this would have been before next Monday when these people qualify for an MP pension.

The deadline is next Monday. As of Tuesday next week the member for Halifax seems pleased that she will be eligible for $1.1 million in possible pension payouts. The Minister of Health may well receive over $1 million. In fact, Mr. Speaker, soon—

**Some hon. members:** Oh, oh.

**The Speaker:** I would ask the hon. member to put her question, please.

**Miss Grey:** Mr. Speaker, I am trying. Will the Deputy Prime Minister personally take a leadership role on this issue and use her power within cabinet with the briefing notes to change the present pension plan so that we, myself included, will keep our trotters out of the trough?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, I do not need briefing notes or the hypocrisy of the Reform Party on this issue.

Remember the great announcement of the 10 per cent pay cut? I understand it is tough. They had a press conference. They gave away the keys to the limo, but the leader of the Reform Party is fighting right now to end the 10 per cent pay cut.

• (1445)

Could it be that the Reform Party is finally beginning to understand that the salary of a member of Parliament is $20,000 less than the salary of a secondary school principal in this community?

We have promised pension reform. We will deliver pension reform, but unlike the Reform Party we will not prop up the notion that politicians are here at the top.

I said yesterday, and I will say it again, my father spent 16 years in public life. When he left he was unable to walk; he was unable to go to the bathroom on his own; and his pension was $160 a month. I will not apologize for paying politicians what they are worth.

[*Translation*]

## REVIEW OF CANADA'S FOREIGN POLICY

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, my question is directed to the Deputy Prime Minister. In their majority report on foreign policy, Liberal members and senators refer to Canada's principal trading partner as a problem. After being opposed to the free trade agreement with the United States and ultimately rallying behind NAFTA, they now wonder whether it would not be advisable to simply abolish all trade commissioner posts in the United States and Mexico.

Does the government intend to reject the Liberal majority's recommendation to abolish the posts of trade commissioners, since it knows perfectly well that this might deprive Quebec and Canadian businesses of major benefits arising from the free trade agreement with the United States and Mexico?

**Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade, Lib.):** Mr. Speaker, the committee's report was released a few days ago. The department is now examining the recommendations contained in this report. Our response to the recommendations in this report will be made public as soon as possible.

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, in their report, the Liberal members and senators, as I said before, see trade relations with the United States as a problem. Would it be possible to find out from someone in this government whether they endorse this view and whether they agree that abolishing trade commissioner posts is hardly the way to help small businesses break into the U.S. market?

**Mr. Mac Harb (Parliamentary Secretary to Minister of International Trade, Lib.):** Mr. Speaker, I may point out that trade between Canada and the United States is worth about $280 billion in both directions. We are bound to have problems from time to time in some areas. That is not unusual. But it is incorrect to say that relations between Canada and the United States are poor, which is what the Bloc Quebecois is saying. However, when their leader was part of the government and sat on this side of the House, he supported the free trade agreement with the United States.

* * *

[*English*]

## FISHERIES

**Mr. Joe McGuire (Egmont, Lib.):** Mr. Speaker, the Prince Edward Island Fishermen's Association has recently expressed great concern over proposed new fish licensing fees. I believe it has a copy of the proposal from the Department of Fisheries and Oceans.

I would like to ask a question of the minister. Is it true that Island fishermen may go from paying tens of dollars for a fishing licence to paying tens of thousands of dollars under this new proposal? If so, how will individual costs per fisher be determined?

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I thank the member for his question. I know the leader and the members of the Reform Party are interested in this question because of their constant request of the government to find efficiencies in the way in which we deliver programs.

As part of the program review exercise, DFO is looking at cost recovery measures. I can say to the member that no decisions have been taken at this stage of the game. There will be no change in the licence fee structure for 1995, but we are asking ourselves whether it is appropriate that somebody who makes on average a $900,000 a year income from fishing certain lucrative fisheries should pay the same fee for a licence as somebody who makes $9,000.

• (1450)

My belief is that somebody who makes $900,000 can afford a little more than someone who makes $9,000. These fees will be quite reasonable, quite rational, and will reflect the circumstances of fishermen living everywhere in Atlantic Canada.

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## JUSTICE

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, here we go again. Just yesterday a Gatineau man was found not guilty after he severely beat and threatened to kill his wife. His defence: A large intake of cocaine made him unconscious of his actions.

Will the Minister of Justice now show some backbone and some leadership and put a stop to this insanity in our justice system?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I am not going to comment on the particular case to which the member has referred, but I will be happy to respond to his broader point. I do so as follows.

The cases in the Supreme Court of Canada in recent years, including Daviault as recently as a month ago and Bernard in 1988, identified the difficulty in dealing with intoxication from the perspective of the criminal law, primarily because intoxication, depending on the degree, goes to the ability of the accused person to form the intent which is an integral part of the offence as the law is written at present.

In each of those cases the court expressed the invitation to Parliament to consider alternative ways of expressing the law to overcome that impediment. On Saturday last the government accepted that invitation. We published a paper expressly for the purpose of examining alternatives in that regard. We are solicit-

ing during a decent period the opinions of Canadians including experts on the subject. We will reformulate as necessary the criminal law in order to ensure that people are accountable for their conduct.

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, while a whole lot of lawyers make a lot of money from this defence and while this minister ponders his political options, the travesty of justice continues.

Last week the Minister of Justice wasted no time to kill any possible use of a cultural defence in criminal cases. Will the minister now act with equal speed to immediately put a stop to this insane use of drunkenness and drug induced defences?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the process of developing sections of the code that will introduce accountability while respecting constitutional rights and judicial realities is not one that can be achieved overnight.

The process of discussion which we have undertaken will last for a reasonable period and enable us to develop proposals and solutions that will last.

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[*Translation*]

## HUMAN RIGHTS

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, the Liberal government has undertaken to ban discrimination on grounds of sexual orientation. The Minister of Justice himself promised to change the Canadian Human Rights Act accordingly, no later than this fall. But we are now told that 60 Liberal members are against any legislative change to ensure that sexual orientation is considered as a prohibited ground of discrimination.

My question is for the Minister of Justice. In light of the opposition generated within government ranks, does the minister still plan to table by Christmas a bill to amend the Canadian Human Rights Act so that sexual orientation is recognized as a prohibited ground of discrimination?

[*English*]

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, our intention remains exactly the same, to introduce legislation in that regard before the Christmas break.

[*Translation*]

**Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ):** Mr. Speaker, considering that several government members are in disagreement, will the minister confirm that he can go ahead and table his bill, the only condition being that a free vote be held on the issue?

• (1455)

[*English*]

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the Prime Minister has made clear that this is a government commitment and that it will be proceeded with on that basis.

I should say, in response to the member's reference to dissent or discussion on the government side, that whatever goes on in the caucus of this party is a private matter for us alone. I should say as well that in this party we listen with care and respect to different points of view, but at the end of the day we decide and present legislation on behalf of the government.

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## FOREIGN AFFAIRS

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, the Canadian foreign policy review released Wednesday shockingly called for increased spending in a number of areas.

Given Canada's tough fiscal situation, will the Minister of Foreign Affairs assure Canadians he will stick to the deficit reduction program of the finance minister and not ask for increased spending in the budget?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I thank the hon. member for giving me the occasion, in responding to his question, to thank and congratulate all members of the committee who did very good work.

As is a tradition in the House we have received the report and the dissident reports. We will, as a good government, look at them. I want to say at the outset that there are some very good recommendations and some that are not so good.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, that was an interesting answer.

Since the foreign affairs review did not recommend any specific spending cuts, the Reform Party suggested cuts to bilateral aid and international grants among many other areas.

After reflecting for the past few days on our proposal, does the minister agree with these cuts and, if not, what spending cuts would he suggest?

[*Translation*]

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, when I testified before the parliamentary committee, when it began its hearings, I had the opportunity to impress upon the committee members that we will have to do more with less in the future.

We will have to come up with ingenious ideas to allow Canada to continue to play its rightful role on the international scene, one that all our friends and partners expect Canada to play. There is no doubt that we will have to take into account our increasingly limited financial resources.

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[*English*]

## VIA RAIL

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Mr. Speaker, my question is for the Minister of Transport.

As the minister knows, VIA Rail will terminate passenger service from Saint John, New Brunswick to Sherbrooke, Quebec as of December 15, 1994 and CPR intends to abandon the rail line on January 1, 1995.

The private sector seems to have taken great interest in freight service from Saint John through the state of Maine and then through to Sherbrooke.

Could the minister tell us if he sees an option to renew passenger service from Saint John, New Brunswick to Sherbrooke, Quebec?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I know the interest of the hon. member in this matter, but I want to make sure that there is no misunderstanding. There has not been a single request from VIA to abandon any service in Canada, with the exception of this one area where it was not through its wishes but as a result of a decision by CP to abandon the freight activity on that line.

I would not want to give any indication of what may or may not happen in the future. The problem of the existing line on the basis of the freight operations has not been resolved. I would not care to speculate other than to say that I am sure VIA will continue to try to provide the very best service it can within the parameters of the limited budget we are allowing it to operate under.

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[*Translation*]

## SOCIAL HOUSING

**Mr. Jean–Paul Marchand (Québec–Est, BQ):** Mr. Speaker, on November 7, before the tenants' association in his riding, the Minister of Intergovernmental Affairs reiterated his party's election commitment not to raise the contribution of families living in social housing beyond the current level of 25 per cent of their income.

Will the Minister of Public Works promise families living in social housing not to raise their rents and increase their financial contribution from 25 per cent to 30 per cent of total income?

• (1500)

[*English*]

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.):** Mr. Speaker, I thank the hon. member for his question.

He will know that that particular subject matter was the subject of debate of ministers of the crown federally and provincially at two housing ministers conferences which took place in the last year.

It is a subject matter which we are presently reviewing. It is an issue whereby in eight jurisdictions the rise from 25 per cent to 30 per cent is now in effect. The Government of Canada will review all of the options presented to it regarding this particular matter.

I do not want to give the hon. member the false impression that we can continue in the social housing end without providing the necessary kinds of revenues from a variety of different sources in order to refurbish the existing stock which is across this country.

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## CANADA COMMUNICATION GROUP

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, today's Treasury Board report into the deliberate financial mismanagement at Canada Communication Group makes no mention of the disciplinary action.

In February 1992 the Comptroller General's department said: "Don't do this anymore". In November 1992 the Auditor General said it was illegal. In 1993 his own department said to cease and desist. Yet we find these things have been ongoing.

Will the President of the Treasury Board assure this House and all Canadians that we will never again see this type of dishonest and illegal activity again?

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.):** Mr. Speaker, the hon. member makes reference to the report which the Treasury Board minister has tabled.

Let it be particularly clear there have been breaches if you will of the Financial Administration Act. Treasury Board in co–operation with other ministries has taken corrective action to make certain this does not happen again.

With regard to my own department, management control has been removed from that agency and transferred to another. Second, the chief executive officer has been replaced and is no longer in existence. Third, on the very substance of the issue and the continuation of that operation we are at present as a result of program review looking at the possibility of either privatizing or discontinuing the special operating agency which it is under.

## ENDANGERED SPECIES

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, this morning the Minister of the Environment released a discussion paper concerning endangered species in Canada. I too commend her for recognizing the seriousness of the situation as well as the need for consultation in developing federal legislation.

My question recognizes that there would have to be co–operation between federal, provincial and aboriginal leaders before federal legislation could be effective.

Would the minister give us some idea as to what type of consultation she has planned and what specific date she has in mind for the introduction of federal legislation?

**Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.):** Mr. Speaker, first of all I want to acknowledge the work of the chair of the Standing Committee on Environment on this issue. It is a very crucial issue. We have had some preliminary discussions with the provinces including the province of British Columbia whose minister of environment has expressed strong support for the initiatives we are taking.

We hope to complete a public input process in January and February across the country. We will be dealing on a bilateral level with aboriginal leaders and we hope to be able to introduce framework legislation in the spring.

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[*Translation*]

## PRESENCE IN GALLERY

**The Speaker:** I wish to draw the attention of members to the presence in our gallery of Mr. Habib Ben Yahia, Minister of Foreign Affairs of the Republic of Tunisia.

**Some hon. members:** Hear, hear.

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## BUSINESS OF THE HOUSE

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, can the Secretary of State give us an overview of the legislative agenda for the next few days?

[*English*]

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we will take note of the debate on social security review. Next week we will commence report stage and third reading stage of Bill C–48, natural resources reorganization; Bill C–52, government services reorganization; and Bill C–55, Yukon surface rights. We will also want to consult concerning completion of second reading stage of Bill C–53, Canadian Heritage Reorganization. As the House is aware there is a time factor involved with regard to Bill C–57, the World Trade Organization.

• (1505)

The House should take note that we intend to give consideration to that bill at report stage and third reading a high priority, as soon as it has been reported from committee.

[*Translation*]

Finally, Mr. Speaker, Tuesday, November 22, will be an opposition day.

[*English*]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I want to respond on a point of order expressing some concerns about the report just given by the Minister of State for Parliamentary Affairs.

We are rather concerned that there have been a very limited number of bills that have been eligible to go on the Order Paper. We substituted that opportunity to debate legislation with take note debates. I certainly do not want to express the view that we are against take note debates. But it seems like they are being placed in substitution for actual bills to debate.

There are only three bills to my understanding that could be placed on the Order Paper this week. The minister did not announce the introduction of any new bills.

Our concern is what is happening with the starvation of legislation in the House is causing bills to be rammed through committee stage much more quickly than members of those committees have an opportunity to deal with those bills in a substantial way.

In light of the indication we got earlier that committees would have time to do their job and would receive new importance in this House in dealing with legislation, I would urge the government to provide more legislation for us to deal with in this House so that bills may not be rammed through at committee stage, but have proper time for discussion, amendments and witnesses to appear.

**Mr. Gagliano:** Mr. Speaker, first of all let me assure the member that in due course new bills will be introduced. Also, as he can see from my weekly business statement, there are a certain number of bills that are in committee. As soon as the committees report to the House they will be debated. That is what I announced for the coming week.

I want to reassure him that it is not the customary intention in the weekly business statement to announce new legislation. New legislation will be announced in due course and at the right moment.

**The Acting Speaker (Mr. Kilger):** I will assume that the discussion related to the Thursday traditional question is concluded.

# GOVERNMENT ORDERS

[*Translation*]

## SOCIAL SECURITY PROGRAMS

The House resumed consideration of the motion.

**The Acting Speaker (Mr. Kilger):** The hon. member for Lotbinière has about five minutes left for questions and comments. The hon. member for Lévis.

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I listened attentively to the speech given by the hon. member for Lotbinière before Question Period. He addressed two issues, or two client groups, of particular interest to me in the context of this social security reform. He talked about young people and the tuition fee problem. I would like him to clarify his position on this.

I would also ask him, if we have enough time, to elaborate on unemployment insurance proposals concerning women.

**Mr. Jean Landry (Lotbinière, BQ):** Mr. Speaker, I am pleased to answer my colleague and also to inform all members of this House. A secret document published in the *Toronto Star* shows that with this reform, students will pay twice as much tuition.

When the minister asks these students to put their shoulder to the wheel, I think that is rather hard to do, since some students will leave university with a $50,000 debt.

I would also like to answer the question about women. With this new reform, women in Quebec and Canada, even if they have paid into UI all their lives, will not be entitled to benefits if their income is over a certain amount. I think it is unfortunate to pick on women in that way.

• (1510)

I must also say that the reform of social programs will cost $170 million just in Quebec and force 40,000 households onto welfare. We must look deeper into the reform of social programs.

Take a family in which the father loses his job for some reason or other or has an insecure job and winds up on welfare. Imagine what it costs the government. First, it often causes problems like depression, medical problems; he has to see psychologists and psychiatrists. We must analyze the whole situation. We must not have a reform just for the sake of having a reform. We must also analyze the whole situation.

I often say that we must do prevention. We know that there is $6.4 billion in unpaid taxes to collect, $6.4 billion for the government's finances. It is out there, but it must be collected. That is all. When we opposition members tell you about the $6.4 billion, we are not here just to make trouble. Not at all! We are here to find solutions with the government, not just to criticize.

As politicians, we must deal with this situation. Unions have noticed that today employers hire more and more people on three– or four–month contracts. That is what happens more and more. Some employment agencies do just that. They hire people and tell them: You are hired for four or five months. Consequently, you can expect these people to come back every year. This is a problem.

In my region, unemployment runs very high and there are many seasonal workers. The social program reform will be applied uniformly everywhere, whether a province is prosperous or not, and that creates an injustice. So, let us take a closer look at these issues, which affect the workers and the unemployed. Whether or not you are unionized, the problem will surface some day. I tell unions that, at some point, the problem will come up.

Problems will surface and some say we will perhaps need a better immigration policy. If a reform is necessary, we should go that far. I am not saying we should not let anybody in. What I am saying is we have to create jobs. Thanks to modern technology, a machine can do the work of 100 workers. But what happens to these people? They find themselves out of work. This is what happens. I have nothing against progress, but it is a matter of balancing the positive against the negative. And this is what my comments are all about.

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, it is a pleasure to rise this afternoon to speak to the motion of the Minister of Human Resources Development.

In his social security reform package, the minister proposes to deal with social problems and unemployment, at the expense of the unemployed and the poorest people in this country. The government is asking the unemployed to pay more for a solution to their problems and asks the poor to be even poorer, if they would enjoy the benefits of this reform which, as I said before, will take more money from the unemployed and the poor.

Instead of looking at the underlying cause of unemployment, instead of looking at the causes of social problems, the minister and his experts are telling the unemployed they will have to pay the bill. As if the unemployed and the poor were responsible for unemployment rates and the large percentage of people living on welfare, especially in Quebec.

• (1515)

That is why this afternoon, I would prefer to discuss what causes unemployment and the reasons for welfare. The federal Liberals have not been very helpful in this respect. After working for about ten years here in the House of Commons and seeing how the government runs its affairs, I could give you a few examples to prove that the federal government causes unemployment, not the unemployed.

My first example concerns interest rates. In 1990, the Governor of the Bank of Canada decided to raise interest rates, saying that there were inflationary tendencies in Canada and that we absolutely had to raise interest rates to reduce economic growth, although he knew perfectly well that these inflationary tendencies were restricted to a few specific locations in Canada and that their causes were well–known.

Inflation tended to be concentrated in the Toronto area. Why? Because the federal government had invested too much money in federal–provincial shared–cost programs. In 1981, 1982 and 1983, the Liberal government had set up special programs to fight the recession. At the time, inflation was really high and you may remember that the government had raised interest rates up to 21 per cent. It also had to set up programs, precisely to ensure that people on unemployment or welfare rolls would not suffer unduly from the situation.

However, the Conservative Party, which was in office then and of which I was a member, did not have the courage to reduce the budgets of those programs and continued to spend more or less the same amounts in joint cost–shared federal–provincial programs. There was a 50–50 split.

The result of this was that Quebec, which had less money than some other provinces and which was spending less on its joint programs, received less money. This is why the inflation rate in Quebec was somewhat more reasonable or acceptable. The situation was just the opposite in Toronto, which was going full speed ahead with the federal programs. Indeed, through these 50–50 programs, the federal government was spending a lot of money, with the result that the economy of that region overheated, thus generating more inflation.

It was obvious that the inflation was the direct result of this overheating generated by the federal government. The government of the time never wanted to use the means at its disposal to lower inflation. Instead, it left the Governor of the Bank of Canada on his own. And the governor had no choice but to increase interest rates. Vancouver is the other place where inflation was high. A lot of money was being invested by people from Hong Kong and Far East Pacific Rim countries. The inflation there was also very much a local phenomenon.

And what did the federal government do? Nothing. It let interest rates go up, with the result that Quebec's small and medium–sized businesses, which had worked tremendously hard to survive, went bankrupt one after the other. Unemployment went up, since workers were being laid off. All this because the federal government did not take its responsibility. I personally told the Governor of the Bank of Canada then that he was creating a recession we would have great difficulty pulling out of.

• (1520)

We have been in a recession for four years, yet did not manage to bring it under control. That is terrible. So, when I hear that the unemployed should be the ones to pay for the problems, I find it absolutely ridiculous. That is all the Minister of Human Resources Development talks about in his plan.

The other event that took place was the signing, in 1989, of the Free Trade Agreement with the United States. Quebec investors in particular, and I am still one of them, were told: "Invest in your business because this is a golden opportunity to gain access to a unique market, the US market". We were told: "Invest in your businesses and life will be great. In the years to come, you will make good money, do good business and create jobs. It is going to be just great".

A short time afterwards, interest rates went up, curbing growth and killing the very businesses that had just been put in a vulnerable position by investing in infrastructure and equipment. They were crushed with higher interests rates, reduced growth and reduced production capacity, at a time when they are very vulnerable. Many had to shut down. That is outrageous! And that is what is going on right now.

That is why, Mr. Speaker, I suggest that, if we want to address the UI and social welfare issue, instead of making a big fuss, publishing nice green books and talking about UI and social reform, we should start by creating favourable conditions for our businesses. Jobs do not appear suddenly, out of thin air; they are created by businesses and our businesses need favourable conditions to do so. They must not be required to do what they are currently doing on behalf of governments, namely handling enormous amounts of money collected left and right. Let me name a few of the tasks imposed upon our businesses.

First, they have to pay CSST premiums, UI premiums, federal and provincial sales taxes as well as federal and provincial income tax. They must deal with two sets of taxes: Quebec's and Ottawa's. I could give other examples.

Each time that a business is unable, or fails, to satisfy all these requests, which come in daily, there are additional penalties to pay.

Our small and medium–sized businesses in Quebec have to live in this negative environment. We think that it is terrible, unacceptable and discouraging for those who want to go into business, to succeed, to create, to invent and to export to have to look after all this administration for the two levels of government.

When I say that support to businesses must be more flexible, I am not talking about money, but rather, at the very least, an environment that would facilitate their growth.

The government's insistence on centralizing, on trying to control everything from here, on creating terrible confrontations between the two levels of government, leaves our businesses vulnerable in this sort of environment.

This is just another example. I think that the Minister of Human Resources Development hit on it himself when he said that there are many difficulties and problems associated with unemployment insurance and other social programs. There are many problems to resolve. But having read the document, I can tell you that there are not many solutions, because he did not really understand the cause of the problem.

We have here proof, once again, that federalism does not work. When a government can no longer meet the basic needs of its citizens, it is clear that federalism is not working. The debt is now $550 billion.

• (1525)

Our deficit will again be close to $40 billion. What more proof do we need that federalism does not work?

So what is the answer? As the Premier of Quebec told the Chamber of Commerce last Tuesday, although the federal government siphons off our money and, as a result, our resources are diminished, Quebecers manage to do a better job than the federal government as far as economic development and job creation are concerned. My view is that as far as we are concerned, this reform is redundant. The federal government should simply transfer full responsibility to Quebec, since it has given us ample proof it cannot make a go of it. I can assure you that Quebecers with their dynamic outlook will do a much better job. I am positive about that.

That is why I look forward to the challenge of a sovereign Quebec, where Quebecers will be able to develop their potential and get a really good start by investing all their resources and skills and productivity. They will be able to create jobs, reduce unemployment and reduce the number of welfare recipients so that this nation can live with honour and enthusiasm.

[*English*]

**Mr. Monte Solberg (Medicine Hat, Ref.):** Mr. Speaker, I appreciate the chance to comment on the member's remarks and on the whole social program review debate.

I wonder how seriously the government takes this whole program. When we look back at the chronology of events leading up to today and some of the recent statements by the human resources development minister, it makes us wonder how devoted the government really is to tackling the problem of social programs, the debt in general and how to make government run much more efficiently.

When I think back to the election campaign I remember distinctly how our party talked quite a bit about social programs and how they needed to be reformed. I remember Kim Campbell, the then Prime Minister, talking about social program reforms in so far as she said they were too important to be discussed during an election.

I also remember the deafening silence of the Liberal Party on this whole issue. If one looks at the government's red book it is almost without mention of social program reform. That was one year ago. I guess the Liberals must have been holding this close to their vests because shortly after they became government they started to make noises about the need to change social programs.

What happened is they came face to face with the reality, at that time, of about a $500 billion debt. Today it is just about $540 billion. They realized that they were going to have to do something to deal with the deficit and debt so they looked at social program reform.

During the throne speech and in the days shortly thereafter they said they would launch a task force and have an action plan on the reform of Canada's social programs. A motion was made to that effect at the end of January of this year if memory serves me.

Over the course of days after that, we found that it was going to be the same old thing, the same old way of doing politics. First we found out that this group was going to be hearing not from regular Canadians but instead from special interest groups who, in most cases, were funded by the government. In fact I sat on that committee as an associate member.

I remember as a newly minted MP how disappointed I was to find out we were not going to hear from some of the Canadians who have a vested interest, as taxpayers, in seeing social programs work well. We were pretty disappointed that this was not happening.

• (1530)

I must also comment that over the course of events we saw that the task force the minister was going to refer to was in many cases a bunch of hand picked patronage appointments, people who had strong ties to the Liberal government. Over the course of the summer we found that it lost its impetus and now the action plan has become a discussion paper. Over the course of events we have found that the government has failed to really pursue this with the necessary vigour considering this country's huge debt. Now taxpayers are running, afraid that the fat greedy fingers of government are going to get them.

So far this government has been unable to bring forward a real action plan. I encourage the government to move with dispatch. Get a handle on this serious problem by dealing with the social program review forthwith. Bring forward a real action plan that will bring the deficit and debt to heel.

**The Acting Speaker (Mr. Kilger):** Given the general nature of the overall comments of the hon. member, I still want to give the member for Longueuil the opportunity to rebut.

[*Translation*]

**Mr. Leblanc (Longueuil):** Mr. Speaker, there was so little in the way of questions in the hon. member's comments that I thought he had started on a speech.

Initially, he asked whether the government was serious about its reform proposals. I doubt it, because if you consider that there is nothing in this document about demands Quebec has been repeating for 30 years, I think we can hardly say that this is a serious document, when they keep wanting to centralize and create confrontational situations.

Another point I wanted to mention earlier, which may answer part of his question, is that just this week, Softimage, a software company that invested several million dollars in Quebec, was looking for 70 computer experts but failed to find any. This means that manpower training is not adapted to the needs of companies. Once again, this manpower training mess is aggravating the unemployment problem but the minister does not seem to mention that in his report. There is a serious problem with manpower training and as a result, a number of companies cannot find the qualified employees they need, although we have a high unemployment rate.

We also have scientists who are doing very advanced research, but we do not have the companies that can manufacture these new products. This means there is a lack of consistency, so that a lot of time and money is wasted and we are not as efficient as we could be. We have trouble producing a low–cost, quality product, and at the same time we are trying to break into international markets. These incredible inconsistencies cost a lot of money and make us inefficient.

Mr. Speaker, I am afraid my time is up. I could have gone on for much longer because there is so much to say about this. Thank you for giving me this opportunity.

**The Acting Speaker (Mr. Kilger):** I thank the hon. member for Longueuil for his co–operation.

[*English*]

**Mr. John O'Reilly (Victoria—Haliburton, Lib.):** Mr. Speaker, I almost hate to break up this Bloc–Reform love–in on a government motion which puts forth provisions for a discussion paper and discussion on something that is very important to the country.

The changing nature of employment over the past several years has had considerable impact on the unemployment insurance program. Since UI is the key component in social security, it is essential that we revitalize the program to meet the needs of all Canadians in all provinces in the 1990s and beyond.

Originally UI was intended to provide temporary financial assistance for workers between jobs. Today people use UI for long term support and many use the programs repeatedly. Last year 13 per cent of unemployed Canadians had been out of work for a year or more. Compared to 1976 that is three times the level of long term unemployment.

Almost 40 per cent of UI recipients have claimed benefits at least three times during the previous five years. The number of frequent claimants has almost doubled in 13 years.

● (1535)

The problem with UI is not the claimants. The problem is the program. It works well for people who require short term help while looking for a job, but it does help workers who need to adjust to the changing economic structure.

Many individuals alternate short periods of work with periods of receiving UI benefits. It becomes a way of life. These UI recipients need more than basic support. Their problem is more complex. They may need skills training, even basic academic upgrading or some counselling to get started in a new, more stable occupation.

A recent study by StatsCanada suggests that some employers take unfair advantage of the program. They do so by organizing schedules around the required number of weeks people need to qualify for UI benefits. Employers plan layoffs to coincide with UI qualification periods and plan recalls when worker benefits come to an end.

The business community complains that increases in UI premiums discourage job creation. Since premiums often increase during the latter part of a recession, we are taxing jobs at the worst possible time. Also, due to the changes in the labour market many more workers are not covered by UI. This is especially true for women and young Canadians.

What we need is an effective, sustainable insurance program that recognizes an individual's responsibility to become self–reliant. At the same time the program must ensure an income support system for those who truly need it.

To that end, we are recommending for discussion two possibilities for revitalizing UI. One approach calls for a new employment insurance program that closely integrates assistance with employment development services, or we could adjust the existing UI program to discourage abuse and better serve those who genuinely need it. Some elements overlap in both approaches. A new employment insurance program could divide benefits into two kinds: basic insurance and adjustment insurance.

Under basic insurance occasional users of UI could receive help returning to work much as they do now. These claimants could receive UI benefits and training employment programs more or less as they do now. Basic insurance would include the special benefits available in the current system. This insurance

would be for those who are caught between two jobs or who may need some assistance on a temporary basis.

Adjustment insurance could be available to frequent claimants. Who is a frequent claimant would have to be determined. For discussion we are using the example of a person who files three or more claims in five years. As well, adjustment insurance would consider regional differences in the workforce.

Other questions under adjustment insurance include: How long should a claimant draw these benefits? Should adjustment benefits be income tested? Should adjustment benefits depend upon a claimant's willingness to participate in adjustment programs? In considering the answers to these questions it will be important to recognize the significance of the UI system to many parts of the economy and in many parts of the country.

A fair approach which allows people to respond and adjust will be important. That is one approach, a new employment insurance program. A second approach, adjusting the current UI program, would not distinguish between occasional and frequent claimants.

We can increase the time a person had to work to qualify for UI, or we could reduce benefits by shortening duration and/or lowering the level of benefits. This approach would free up significant resources for reinvestment in employment programs, but it would not identify claimants who require the most help in staying employed. Those most in need of income support will not receive adequate assistance. Nonetheless this approach might be taken in conjunction with the first to create an equitable and balanced reform strategy.

• (1540)

As well, UI reform must address the needs of the workers in non–standard employment: part timers, self–employed, temporary workers, and people with multiple jobs. Last year more than 60 per cent of all new jobs were part time. Many of these workers are not fully covered or not covered at all.

We also have to determine the best way to fund the renewed insurance program. Employers and workers are concerned about how UI premium rates are set. Higher premiums are killing jobs. We need to think about how the burden of premiums is shared.

Options for improving funding include: building a surplus in the insurance account during strong economic growth; requiring employers to pay premiums on their total payroll; expanding earnings subject to premiums; increasing premium rates for those who use the program the most; and reducing premiums for employers who support training.

Funds saved from a revitalized UI program could be used to reduce premiums or to make employment development services more effective. The two must work hand in hand.

Employment development services help the chronically unemployed by offering them job counselling, training, labour market information and work experience. When people move from welfare to work, employment development services are a good investment. Unfortunately they do not do that often enough.

Employment development services need to be flexible, to be tailored to individual needs and community opportunities. We must give more UI claimants personalized job counselling that directs them toward the specific help they require. Up to date relevant information about job opportunities would help people make better informed decisions about jobs, training and education.

Millions of adults require additional training in reading, writing and arithmetic, the basic skills essential for almost all employment. The federal government sends UI recipients to classroom courses but again training must fit individual needs. Workplace training provided by employers is often the most effective approach. To encourage this we could offer employers tax credits, levies for training and paid educational leave.

Another consideration is to supplement wages for unemployed workers facing specific barriers to employment such as persons with disabilities or long term unemployed workers who may need an extra bit of support to break into the labour market.

Much of the success of employment development services depends upon good management. Success should be measured by results, not by bureaucratic enforcement of the program's rules. We should consider setting broad goals and then inviting local communities to decide which programs will best achieve those goals.

Once again effective EDS will require effective partnerships. We have invited the provinces and territories to plan many employment development services and to manage the purchase of institutional training. The province could manage single window offices to bring federal–provincial programs under one roof. This would make access easier for both UI recipients and those on social assistance who should also have access to EDS.

We must do more to help people with disabilities overcome barriers and become fully integrated into Canadian society. Constructive partnerships could lead to more accessible workplaces, flexible working conditions, appropriate training and better management practices for persons with disabilities.

I know hon. members appreciate the complexity and magnitude of reforming UI and adjusting employment development

services. I trust the ideas I have presented will help them prepare input for the government's discussion paper. I look forward to hearing the responses of my hon. colleagues.

• (1545)

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, as you know, I am on the Standing Committee on Human Resources Development now holding consultations on social programs. The speech by the hon. member for Victoria—Haliburton made me shudder because it seems to overlook reality. It is based on the widely-held belief—too widely held in my opinion—that many unemployed workers lose their jobs on purpose. His talk of abuse almost implies that the unemployed are guilty of fraud. There may be abusers but I will start by asking him—I will have more questions later—if he can tell me what percentage of the unemployed are guilty of fraud?

His arguments sound funny when we look, for instance, at the miserly unemployment insurance fund. The human resources committee I am on heard a forecast from the minister but when we recently asked a senior official, he anticipated a surplus in the order of $2 billion in the UI fund for the year.

Now, why is there a surplus? Because UI was cut this year. The three series of cuts that he mentioned were implemented, and the hon. member seems to say that we should go even further. Let me refresh members' memories.

First, the amount of benefits was cut from 57 per cent to 55 per cent of salary; then, the benefit period was reduced to a maximum of 32 weeks.

I know that in the riding of Lévis, for example, the workers laid off by the shipyard are not unemployed voluntarily. After collecting benefits for 32 weeks, they will have no choice but to turn to their provincial government, even though the federal government picks up 50 per cent of social assistance costs, but it is still shifting responsibilities to the provincial government. The federal government is talking about making it even more difficult to collect unemployment insurance.

Yesterday, I met with students who, after completing their studies, may not be able to collect UI benefits because it would be even more difficult for someone who has not yet managed to join the labour force, as is now the case when after finally landing an insecure job a person is allowed to enrol in retraining programs.

I would ask the hon. member or another government member a little later to give us the exact percentage of voluntary unemployed who abuse the system.

[*English*]

**Mr. O'Reilly:** Mr. Speaker, I welcome the opportunity to respond to the hon. member. He and I share something in common. We are both concerned about the unemployment and retraining situation in Canada. That is the reason the hon. minister brought forward this paper for discussion. We welcome discussion and the exchange of ideas hopefully for the benefit of all people in Canada.

I am aware of ongoing retraining programs. I attended a retraining program in my riding of Victoria—Haliburton the other night. The Victoria County Training Council graduated 295 people and 75 per cent of 1,717 people it has retrained over the last four years are actively involved in the workplace. That is a record to be very proud of. That type of retraining program has set the example for others to follow.

The member says that maybe I do not understand unemployment insurance. My father was unemployed in the fifties so I am well aware of what it is like to have unemployment in one's family, to suffer because of it and not to have proper funding until another job is found.

• (1550)

Earlier today the member for Elk Island talked about some dream world wherein no one here knew about the programs. All the programs were brought in and he never had to partake of them. He had a great time getting along in some fairyland like *Alice in Wonderland*. I went through the fifties with an unemployed father. I know what it is like to have to go through programs when there is no work or nothing for the person who has trained all his or her life and is all of a sudden out on the street with nothing to do and a family to raise. I understand that part of being unemployed. That is why I am anxious to be involved in this program, add to the discussion and bring to the forefront the fact that people have to retrain.

I spoke to the graduates the other night and said: "You have come through a training program; don't stop training". We talked to the pages this afternoon about always spending time training and retraining. The days of walking into a place and being there until one retires with a pension are over. We must retrain. We must have a workforce that is effective in the nineties and beyond. Retraining, unemployment and financial assistance to people temporarily out of work are very important to me. I want to see the ideas of all members brought forward to make it a better program, an improved program for the people who most need it.

There are too many single parents suffering in poverty in Canada. They did not ask for that. They did not ask to be poor. They do not want to be poor. They do not want handouts. They want to be part of a productive society. That is what the government is committed to doing. It wants to make this a more productive society, a society that trains and retrains and looks after the job market that becomes available, a highly technical market in some cases.

However 2,400 jobs went out of my riding over the free trade agreement. Some of those people qualified within 15 or 20 weeks of not qualifying for certain programs of assistance. Some compassion has to be given to a person who does not qualify for POWA because there are not enough people working in the factory and people are laid off. That has to be looked at and refined so that it gives a benefit to everyone who needs it.

The member asked whether people cheated the system. I think it is a very small percentage. I know some parties work on that very small percentage for political gain, but I think most people are honest. Most people are on these programs because they need it, not because they want it. It is a program with refinements that can work to the benefit of Canadian taxpayers and retrain our workforce for the 1990s and into the year 2000.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, I have a specific question for the hon. member who just spoke. I would appreciate if I could get a direct answer to a specific question.

Does the hon. member believe that there should be unified qualifying rules across the country such as, for example, with regard to the period of work before qualifying for unemployment insurance? Or, would the hon. member prefer special treatment for certain parts of the country?

**Mr. O'Reilly:** Mr. Speaker, a specific answer would be that all economic regions of the country are not the same. Whether one is in Gaspé, Vegreville or Haliburton, there is a difference in the areas, a difference in the needs and a difference in the qualifications required. Some have to work in seasonal jobs in a seasonal market in a certain area. I can go into Haliburton in my area and find 30 per cent unemployment in the winter because it is a seasonal, tourist oriented job market. It is improving. Winter sports are coming on. There are some good ski hills. There are cross–country trails. Things happen there in the winter that are drawing more people in.

• (1555)

I do not think we can compare that with the city of Toronto, Vegreville, Elk Island, or any other area. The area has to be taken into consideration on its needs. The program has to suit the area, not the area suit the program. I hope that answers the hon. member's question.

**Mr. Ken Epp (Elk Island, Ref.):** Mr. Speaker, I thought I was going to be able to further interrogate the member for Victoria—Haliburton, but I guess it is my turn now.

I would like to begin by declaring something we probably all know. Members on this side of the House certainly are aware of it. Members on the other side are becoming aware. We are very happy to notice that in recent days even the Minister of Finance has made public pronouncements admitting that our national debt and ongoing annual deficit are problems and something we must address.

As a matter of fact it is very important for us to remember in all this debate when we are talking about revamping our social programs the objective and one of the very large motivations for us being here is that we need to reconsider the financial picture of the country. We are in trouble. It is a matter of simple realism to recognize that if we do not do something about it external forces will take over and we will have it done for us. If we can do something about it while we still have control that is much to be desired and the highest of several different options.

In keeping with a well known couplet which probably everyone in the House knows, the borrower is a slave to the lender. Our debt with its required interest payments has made us slaves in the sense that we have now lost our freedom to do the things we want to do.

I really think it would be wonderful if we could just simply pick up everyone who does not have a job. I think it would be wonderful if everybody in the whole world could come to Canada to get medical procedures done because we have a wonderful free medicare system for everyone regardless of their ability to pay. I think it would be wonderful if we could offer free education to everyone, young and old alike. I think it would be great if we could say to people who are unemployed: "Don't worry. We will pick up your cost of living. We will pay for your tuition to get retrained. We will help you to get re–established in another workplace". Would that not be great? No one would ever suffer at all. That would be great.

However we do not have that option because of our fiscal situation. Right now for every $4 the government spends $1 is borrowed. We only have income of $3 for every expenditure of $4. A lot of that growth is not even in our control. Just adding the interest payment this year of $40 billion, if we do nothing, will add another $5 billion of interest payments next year because of the interest due on the interest we paid this year and had to borrow the money for. Unless we get a hold of it and get a hold of it fast, we are not going to have the option.

Members opposite love to make wonderful promises. I do too. I cannot help but use an analogy. I have a couple of sons. They are now thankfully grown up or close to it anyway. One of them is still at home because he needs my subsidy to go to school and that is fine. We love him and it is great having him there. I thought I would be considered the world's most wonderful dad if I could say to my boys: "Hey guys, I will buy you each a Corvette". They would just love it. Very frankly they would go around bragging. They would say: "I have the greatest dad in the world. He is going to buy us each a Corvette". It is an empty promise because I do not have financial backing. I do not have the money in the bank to buy two Corvettes to give to my boys. My promise is empty.

• (1600)

It is time the Canadian people woke up to the fact that despite the best promises that governments of the past have made and the present government is making, unless we maintain the fiscal backing that enables us to fulfil the promises, they become empty promises. That is why we must discuss all of our spending realistically, including social spending because it is such a large portion of our total budget.

In the body of my speech I would like to concentrate on the question of education. Since I graduated from university I have been an educator. All of us here have been educated to some degree or another and we have all benefited from receiving an education.

It would not be stretching it at all to recognize that our standard of living is based on education. Our democratic system is based on education. If we did not have a generally educated public we could forget about having votes and debates in public. We could not present things for people to read. If they were not educated and not literate we could only talk to them. We could not appeal to their ability to compute matters to see whether we are reasonable in our projections on the budget and government spending. Our very democracy depends on a generally educated public.

However, I would go beyond that. Without in any way minimizing or marginalizing those people who do get past high school, we also need to acknowledge that our standard of living is greatly dependent on what happens in educational institutions past high school.

I am not in any way minimizing or marginalizing those who for whatever reason do not go beyond high school. I know a number of people in that category and most of them do very well but our standard of living, as I am going to show now, is dependent on what happens afterward.

Think of the basis of much of our standard of living. Think of the things that we enjoy. I guess because of my particular field of study I would first of all thank the mathematicians, since mathematics is the foundation of almost all science, all research and all engineering. Without mathematics and a solid mathematic, analytic ability we really would not have any of the wonderful things that we enjoy in the western world. I extend that to studies in engineering, to research scientists, to medical practitioners, medical researchers. All of these people contribute to what we almost take for granted in our country as a standard of living.

We take it for granted that if we are ill we can go to the hospital for treatment. It goes beyond just having the hospital facility. Unless there are trained doctors and nurses, hospital and medical technicians, respiratory people and all the other specialities and all of the lab technicians, going to the hospital is as useful as going out to the wood shed when you are sick. We have to have qualified, trained people.

It is important for us to make sure that we have not only quality education but quantity education. We need to provide a high degree of quality control in our education right through the years so that when our students graduate whether they are doing surgery on us or are designing our aeroplanes, bridges, or buildings, they will provide a highly reliable, dependable service.

• (1605)

It also has a spin–off in our economic competition in the rest of the world. It is only when we do very well in those areas that we can maintain our standards. We are dependent on people who invent, who design, who plan, who build, who produce, who organize, who maintain and operate equipment, who build and maintain structures and systems. We need people who invent combinations of chemicals and materials to help our agriculture and forestry industries, to help us fight diseases with medicines. We need all of those different aspects, which are the result of education, if we are going to have our standard of living.

We need to have electrical engineers and others, who are capable of learning, developing and inventing new ways of communicating with each other via telecommunications systems, computers and things like that. We need to constantly be on the move forward.

So much for building the case for the need of education. Should we as people collectively, through our tax system fund education? I have said it in the House before. I say it again by way of emphasizing something that has been greatly misunderstood. Many times misinformation has gone out, especially from members opposite, regarding our party. They keep talking about us wanting to cut and slash and do away with everything.

We said during the campaign and we are as deeply committed now as ever to bringing our fiscal House into order so that we can maintain a universal Canada–wide health care system. It is in our policy. We have said it from the beginning. We have always said it, notwithstanding that others have tried to minimize our message.

Based on our very careful analysis of questionnaires of members in our party, which we think is a very good cross–section of the Canadian citizenry, those people have said that health is first and education is second. Here we have two programs. The review that the government has embarked on does not even talk about health care, old age security and some of the things that are so important to Canadians, but we have talked about it.

Those are the items which are of very high priority for Canadians. We are here to do what we can to make it more than an empty promise. I would like to say that investment in education is exactly that. I have already indicated that we benefit as a society and as individuals from the positive spin–offs of having an educated population. I would also like to add that it is a very positive fiscal investment. We can invest our money and actually get a monetary return.

I want to go way beyond what the minister has suggested. In fact it has already been done, as we know, in some previous parliamentary work the government has embarked on and that is to increase the loans to students. I do not think that is the way to go at all. We need to give some positive support to education so that education is within the means of students in their present level of earnings however they earn their money in the summer months when they are on vacation from their studies.

We need to look at it as an investment. Let me give some numbers. I happen to love mathematics. I did a few calculations. It is totally realistic to assume that a person with a university degree, a college degree or a technical institute diploma could earn in some cases $1,000 or more per month as a result of that education.

I am going to take a very modest number. I used to use the word conservative, but that word has now come into disrepute around the country, so I no longer say that. I am going to use a modest number of $400 per month. Let us say that graduate can earn $400 per month more as a result of receiving an education. Let us say that he graduates at age 22 and works to age 62, which is a good 40–year life span of work.

• (1610)

During that time the $400 per month gives him an additional $192,000 of earnings. We all know that in our tax system the marginal rate of taxation is around 50 per cent. Governments right now are clawing back 50 per cent of the result of that added earning. Over the 40–year period that is $96,000. Just educating a student gives back $96,000.

I want to be realistic. Let us think of this as an investment. What is the present value of that, using an 8 per cent interest rate, which is what I used to compute it. Amazingly the present value of every educated student in terms of returned increase income tax collected is $57,238. That is an amazing number. We are quibbling about whether or not we should lend these students $4,800 so that they can go to school and then graduate with a huge personal debt load as well as the collective government debt load we have laid on their shoulders. That is atrocious.

We ought to be looking at more creative ways of funding education. It is a tremendous investment not only for our standard of living but even from a straight fiscal point of view. In the matter of direct income tax collected, it is a tremendous benefit for us all in the economic activity in the country. The more people we have who are educated the greater the economic activity in our country and the greater our exports. We benefit myriads more than just the income tax collected. That is but a very small portion of that investment.

The question that comes next is how do we do this? How do we provide an education system for our students so that it is affordable and we can have all of our students going to school? I agree with the goal that students should not be prevented from going to school because of personal economic hindrances, just as I agree that people should not be prevented from going to a hospital for needed medical care because they do not have the money to pay for it.

It is a downright shame if young people from poor families cannot go to school because they cannot afford it. It is time that we wake up to the fact that we have a responsibility to make sure that education is affordable. That can only be done if we put our fiscal house into order and stop all of the wastage in those many other areas.

I have some suggestions. In the elementary and secondary schools we practise the idea that education should be free. Students generally do not pay tuition. There are some exceptions. Unfortunately in parts of our country some people who choose to send their children to private schools for various personal reasons end up paying extra. They pay tuition. Others, if they attend the public school system or, in some cases, there is a legitimate separate school system in the province, do not pay. That is paid for by the taxpayer.

I have a question. Why would we use that principle up to grade 12, or in Ontario grade 13, and then abandon it for education past that? The only thing I can think of as a legitimate reason would be that past grade 12 further education is a marked financial advantage to the student as well. Not only do we benefit as a society by being able to collect more income tax from them, but they are paying more income tax because they are making more money.

Therefore, it is fair to say that the students should pay for at least a portion of their post–high school education, as it has been for quite some time. However, I do not believe that we should put the whole load, the whole burden of that education on these students, particularly because we know that over the years they will end up paying it back into the system anyway.

Therefore I would like to propose that we give very serious consideration to a system whereby the students would look after their own housing. That is more or less acceptable unless they have to travel to a place away from home. The family should be able to provide for housing. In most instances they can live at home. Where they cannot of course we need to look at ways of

funding that at a reasonable rate, perhaps as part of the particular educational institution.

• (1615)

Second, there are books and supplies. These too I think for the most part could be funded by students through their summer earnings, particularly if we had a good strong economy which would demand that a lot of students be hired in the summer months when they are away from their studies.

My last and most important suggestion is that we would go to a system of vouchers for students which would essentially pay their tuition. I would like to see the student upon graduation from high school get a little certificate as part of his graduation package that says the certificate may be presented to any post–secondary institution in Canada of his choice and it will provide for a payment of 90 per cent of the tuition at that particular institution. I did think of putting in a fixed number. That is another option, but we do recognize that some institutions, some universities and some colleges have different costs because of the kinds of programs they offer.

We know for example that in some of the engineering and some of the physics programs the cost of the equipment is way greater than in some other areas where the costs are mostly in books and libraries. I think to recognize that different programs have a slightly differentiated tuition system that certificate could be used.

It would be a wonderful encouragement to our students to say: "We believe in you. We don't care whether you have rich parents. We are going to see that you have an opportunity for a good education and we are with you all the way. Here is a certificate from us, the taxpayers. We know that you will pay us back. But we put our faith and our trust in you. We want to see you be successful".

Mr. Speaker, my time has come to an end. I really would like to encourage the people on the government side to give serious consideration when they are looking at this aspect of a social program review to do it and, for the sake of our young people and our children, do it well.

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Mr. Speaker, I listened with great interest to the comments of the hon. member across the way. I must say that I am certainly pleased to hear a member speak from the point of view of consultation. That is what the green paper tabled by the minister is really all about.

During the most recent break I had the opportunity to have several public forums in my riding. I must admit there were several suggestions on this particular point regarding education and, from the federal perspective, how it might or should be funded in the future.

The point that the hon. member made was one of those comments about a voucher type of system. Another was the fact that instead of taking this fund that currently I believe is $2.6 billion, put it in a special fund for students only, earmark it that way and transfer it to the provinces, but with the specific outline that it is for post–secondary education only to ensure that is where it goes.

Having heard the hon. member and his comments regarding the voucher system, would he agree that there probably are several options available which could and possibly should be looked at in addition to the one that was in the green paper as one alternative.

I do appreciate the fact that finally the member and his party realize that this is a consultation paper, that nothing has been carved in stone, that we want this input not only from members of Parliament but from Canadians from coast to coast so that we can come up with a consensus that will be good for Canada, our students, our youth not only today but indeed as we work toward the 21st century and try to be a benefit to all post–secondary students and those coming on in the next number of years.

I would ask the hon. member to comment on that.

• (1620)

**Mr. Epp:** Mr. Speaker, I thank the hon. member for his kind comments. Actually, I should be worried if I say things that please members on the other side. Maybe I have not done a good job.

With respect to the question of vouchers, I think it would be better for us to take the federal government money that is now allocated for post–secondary education, allocate it entirely through the voucher system and allow the universities to build a tuition system that reflects to a fair degree the cost of educating a student in the program.

The provinces would individually be required to provide the funding for the facilities and for any special developments there since it is a provincial requirement. This way the students would be the ones who would produce a level of good, healthy academic competition between various institutions. They would then have to attract students because of their good record and good quality control program. Their graduates would be able to get the top notch jobs. Through that natural competitiveness those institutions would I think develop a better level of research and a better level of teaching.

The provinces could go ahead and use their money as they are now in their component in the provinces. The voucher system would help to give students a great deal more flexibility in the choice of which institution they attend because of the fact that very often there are universities which specialize in their area.

For example today I was talking to a person who happens to be a member of the chiropractic profession. There are no programs for that particular discipline in all universities. But there are

those that could provide that service and that student would not have to face a great economic disadvantage because it may be out of province.

Those are just some of my comments on that.

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, I have enjoyed the analysis by the member for Elk Island.

I have just a couple of things in relation to education in Canada and his idea that the economy is what should determine how we relate to costs of education in elementary where it is free, secondary where it is free and then in university where it suddenly costs money.

In Canada education is a bargain if you compare it with any country in the world. The one to which we are most likely to compare it of course would be our neighbours to the south where even the basic university courses cost roughly twice what they do in Canada. I am talking about the state universities that receive a government subsidy. I am not talking about private universities. They are beyond reach unless you are quite affluent. Private universities in the United States are very, very expensive.

What is wrong with a student borrowing some money? Just the exercise itself is a good one for a young person. He takes on the responsibility of borrowing some money and having it made available and taking that opportunity to advance himself, investing in himself. That is not a bad exercise for a young person to have. It would be better of course if you could graduate and say: "I do not owe anybody anything".

Really, carrying a little debt within reason is a pretty good exercise for later life. All of us I am sure have carried some debt. The idea is to take on some responsibility, address that responsibility seriously and repay that debt. I sometimes get very annoyed when people take the liberty of borrowing or taking advantage of money when it is available, but they do not follow up with the responsibility that accompanies that, to pay it back on time providing they are in a position to do that. I think provision is being made now to gear the repayment plan to the income you are getting. That seems to make sense to me. How else would you pay it back.

• (1625)

I wonder if the member would see some very worth while benefit to a student through those years accepting the responsibility of borrowing and of course the responsibility that follows the borrowing, to see that it is repaid. It is really taxpayers' money, my money, your money, and that of the rest of us. It is our money. We want it back because we loaned it to somebody. I think it is their responsibility to address that at the appropriate time when they can of course.

**Mr. Epp:** Mr. Speaker, I appreciate the opportunity to address that question because that is actually one of the aspects of this proposal that bothers me the most.

I know it is good to learn when you are young that when you borrow something you repay it. I remember growing up as a youngster on a farm in Saskatchewan my dad taught me that whenever we borrowed something from a neighbour we always returned it in a condition as good as or better than we borrowed it. That is a good principle but I do not believe it is a good principle to set things up so that young people on graduation have a millstone of debt hanging around their necks.

For example, a young person who has gone through a dental program wants to open a dentist office. He now has to borrow money in order to put up his office, get his equipment. That is true for many different professions, even in my profession of teaching. We need to have computer equipment and things like that, depending on what area we are in.

Some of us on graduation get married. We set up a home. We need to borrow money for the home. We need to borrow money for the downpayment for the car and for the furniture. The first thing you know, you are up to your ears in debt just like this government is up to its ears in debt and you are totally debilitated by it.

I really think it would be much healthier for our whole society if our students could graduate debt free. That really is the very best. It is not that one is a nine and the other is an eight. I really think that one is a 10 and the other is a zero in this as far as my feeling is concerned.

I know that is idealistic but I think it can happen. In a healthy society where students can get a good summer job and are able to live frugally, I believe they should be able to save enough to pay their living expenses. If we as a society, as taxpayers, pay their tuition directly and have them pay it back through their taxes that would be a superior method.

I want to avoid handing them a millstone of debt with their graduation certificate from university.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I am pleased to have the opportunity to participate in such a historic debate in this House, one that I think is of great importance to all Canadians because we are talking not only about the social security network that supports us all in times of trouble but also about a very significant portion of the federal government's budget.

The green paper recently released by the Minister of Human Resources Development contains a number of interesting proposals that have already been the subject of considerable discussion and will continue to be the focus of that discussion in the weeks ahead.

The government's objective in regard to the improvement of Canada's social security programs was outlined very briefly by the Prime Minister in a speech he gave to the Canadian Chamber of Commerce in Quebec in September. I quote him: "Our objective at the end of the process is a reform system of social security that protects the most vulnerable while enabling all Canadians to obtain a fair and equal opportunity to exploit their

talents, lead fulfilling lives and experience the dignity of work".

Those are words that would reflect the views of a series of Prime Ministers of this country from Laurier to King, St. Laurent, Pearson, Turner, Trudeau, and of course the present Prime Minister who said the words.

They are words that come from the leader of a party that has introduced virtually every social program this country enjoys today. It is not a party that is in any way anxious to tear away the fabric of the social programs that we have built for Canadians. It is not our intent in producing this green paper to destroy in any way or rip apart the social safety net that we as a party at various times in government in Canada have worked to build.

• (1630)

On the other hand, there is a pressing need for social security reform. I can only look at the figures. I have quoted them in public meetings in my riding before and I do so again. The green paper concerns federal expenditure of $39 billion or about 24 per cent of total federal expenditures. It does not include pensions. It does not include expenditures in government departments related to transport, foreign affairs, corrections and national defence.

In other words, a huge range of federal government programs are excluded from the $39 billion figure that is the subject of discussion in the green paper on social security reform. It is the only other single government expenditure that is as large as the interest on the public debt which is at $40 billion. Some say: "You can reduce the debt figure and that will solve your problem". That is complete nonsense, utter hogwash.

The government does not control interest rates in the country. It can affect them. It can influence them. It cannot control them. In the end Canada's interest rate, the national rate charged by our central bank, will have to reflect world trends. It will have to reflect those for the very simple reason that the value of our dollar is tied to interest rates in the country. That is an unfortunate fact of life, but Canada cannot simply go about setting its own interest rate ignorant of world events, world trading patterns and currency movements. We recognize that we can influence the rate; we cannot control it.

Since the government has taken office it has influenced the rate. Whether it was done directly or not I cannot say; I do not know. The rate has gone down, the Canadian dollar has dropped and Canadian exports have increased since, leading to increased prosperity in the country. That may be one of the factors leading to prosperity. There are others but that is a principal one. The changes that have come about in our world economy have no doubt improved the economic situation of Canadians, but it has not improved to the extent that we can ignore the fiscal realities the Minister of Finance has been discussing.

We have a particularly competent Minister of Finance who has gone before the Standing Committee on Finance and made what I can only describe as a brilliant exposition, describing the state of the Canadian economy today and inviting Canadians to address that committee to express their concerns and views concerning tax changes in the country and how we can improve the tax system to make it fairer and better.

He has also asked Canadians to comment on what they would do if they were minister and were drafting a budget. Where would they cut? Where would they increase taxes? Where would they seek to increase revenue, and so on? Those questions are extremely important. We have engaged in a great national debate on this subject and we read about it daily in the media.

Unfortunately much of what we see are ideas that if we simply cut interest rates everything will turn up roses. I do not accept that for a moment. I do not believe it is true. I think the people that are saying it know it is false. They are simply putting the message out in order to distort the view of Canadians that things can be improved in this easy way without some painful changes in our systems.

What did the Minister of Finance say in his brilliant exposition before the Standing Committee On Finance? First, he indicated that the world economy has become far more integrated than it was 40 or 50 years ago when many of the social programs were put in place. It has become more integrated and global and trade barriers have disappeared. We have brought down trade barriers both through GATT and through the North American Free Trade Agreement. Those are being extended rapidly around the world.

Second, people from what we once called the third world are joining the global economy. They are producing goods for sale in this country that are inexpensive and that Canadians are buying. We will continue to buy them in increasing numbers because they are less expensive. They are also quite well made in many cases. We are getting better and better products that are made abroad.

Third, information technology is exploding. It is easily portable and we cannot stop it from changing across borders around the world. If we do not get on the bandwagon and produce goods and deliver services in a less expensive and more efficient way, we will be outpaced by others who can do it less expensively elsewhere. The technology that allows us to deliver the services more cheaply will move to the places where it is being delivered cheaper, reduce costs further and leave us high and dry. All this means is that competition is forcing companies, states and individuals to change their method of work, their method of dealing, and the way they interact one with the other.

• (1635)

I quote the Minister of Finance again:

> For three entire decades after the second world war all we knew was high job growth, high productivity growth, high income growth and low unemployment. We ignored the fact that our unemployment rate was rising relentlessly with every recession and staying up.

As he pointed out, the unemployment rate 25 years ago was usually at 5 per cent. During this past decade it has been steadily at 10 per cent. Unemployment has become more serious for Canadians and the costs of it have risen enormously.

The Minister for Human Resources Development in his introductory address to the House when he produced the green paper and led off this debate pointed out that workers and employers finance unemployment insurance through their contributions. He said:

> It is simply costing too much. In 1980 the program cost $4.4 billion. Last year it cost $19.7 billion. In other words, in about 13 years the costs quadrupled. We cannot allow this escalation in UI costs to continue.

The minister was right. For that reason we have to look at the unemployment system to see what can be done to improve it. It is very important that the green paper which has made some proposals be thoroughly discussed and I have aimed to do that.

The minister outlined two basic proposals for change in UI. He is willing to receive others. He has made that very clear. That is what the public debate is about. He said we could have a new unemployment insurance program or we could tighten the rules of the existing UI program further.

We have been tightening the rules ever since I got elected in 1988. We watched the Conservative government tighten the rules right, left and centre, causing pain and anxiety to a lot of Canadians. In the last budget there was further tightening of those rules. I do not think that continuing to tighten them is really helping the unemployed. It is not.

We need to find a new scheme that encourages people to work rather than encourage them to remain on unemployment insurance. The minister pointed out that because the program has been in place for so long and because it has some fairly generous rules here and there it is easily abused both by workers and by employers. They schedule work around UI instead of the other way around.

We are not taking out unemployment insurance against the day we are unemployed. We are taking it out and receiving it because we know there will be a period of unemployment. It is planned for in employment contracts today. That is not what the system was designed for. Canadians are paying a great deal of money for this system through the charges that are put on them, especially if they are ones who are in places where they are regularly employed and paying the new higher premiums.

The day after the tabling of the green paper I met with members of the construction industry in my community. They were very much concerned that unemployment insurance would be changed as we know it. They are not seasonal workers, but they are people employed in the construction industry who are unemployed from time to time, not at any particular time of year but whenever there is not work available for them. As they pointed out to me, many of them travel great distances to get work. They are quite prepared to travel to Windsor to work on a construction project there, or to New Brunswick to work on a construction project there if that is necessary. They will travel great distances to get work. However, if there is no work available, they depend on and need unemployment insurance.

The indication to me was that they would pay higher premiums if they could continue to receive unemployment insurance. They did not mean higher premiums in terms of the employer's share. They meant in terms of the employees' share. The employees would pay more if they could keep UI in something like its existing format.

I invited them to make a submission to the minister, send a letter to the minister or prepare some kind of brief through their union—and some union leaders were at the meeting—to let the minister know what they could do in their view to make the system work for them.

I have stressed to the minister in my discussions with him the importance of UI to people in that particular job category. In the green paper there are suggestions that perhaps UI will have to be tailored to fit the needs of different areas of our workforce. That would be worthwhile. It is a sensible idea. I hope that there are suggestions forthcoming from members of the construction industry in Kingston and the Islands.

• (1640)

Another thing the Minister of Finance said that I think is important is that we missed the signals with these rising unemployment rates. I quote him again:

> And as we were missing those signals what did we do? We borrowed to paper over the problem, borrowing first from ourselves, then from foreigners and always from the future.

The hon. member for Elk Island in his remarks referred to the fiscal crisis facing Canada today. Most members of the House acknowledge that is a serious problem facing us. For the years from 1988 to 1993 I sat here and watched while Brian Mulroney and Michael Wilson fiddled. They did absolutely nothing to solve the deficit problem in Canada. Indeed it got worse and worse the longer they were in office. They were elected in 1983 with promises to fix this problem. They were going to bring the deficit under control within two or three years—I have forgotten the promise now—from 1984. We all know what Mr. Mulroney's promises were worth.

We sat on the other side of the House, some of my colleagues for the full nine painful years, but me for only five, and watched the government do absolutely nothing to make the situation better. I know members of the Reform Party who are here missed this, but we heard budgets presented that indicated that within three years the deficit would be down to, I think the low figure we heard was $16 billion. It never got anywhere near $16 billion. The projections were always wrong. They were revised in every budget and the promised pay off was always deferred another two or three years. It was really quite nauseating.

The minister kept insisting with every budget every year that this time his projections were going to stick, that he had made the right decision, that everything was going to be fine in another two or three years, and that we should just hold on to our seats and wait and see what happened. They did not hold on to their seats, thank goodness. We have the remnants of the party sitting over there, all two of them. It was a string of broken promises that really deflated and disappointed Canadians.

We have heard repeatedly from the Prime Minister and from the Minister of Finance the proposal he has put forward to reduce the deficit to 3 per cent of the gross national product by the end of the third year of our mandate. That gives us two years to reach that figure.

It is not going to be the annus mirabilis when we get there, but it does signify that at least the Government of Canada is willing to make a commitment and stick to it. The Prime Minister has indicated his commitment to that figure repeatedly in the House and elsewhere. I believe it is important that the government achieve this.

The critics of social reform, and I point specifically to the Bloc Quebecois, all sit and howl and scream and say: "You are eliminating this; you are going to hurt everybody". Yet they know perfectly well that the government is not seeking to reduce all its expenditures through this one package alone.

I have no doubt in the ability of the Minister of Finance and in his sense of fairness that when he seeks to achieve that goal of reducing the deficit to 3 per cent of GDP in another two years, he will achieve it by making reductions across a very wide range of government services and government programs. It will not all be done through reductions in social programs, which is what the Reform Party would like us to do.

[*Translation*]

On the one hand, the Bloc Quebecois wants everything to remain the same, unchanged, exactly as it is right now. Unfortunately, this is no longer an option. There is no way status quo can be allowed to continue. This is just impossible.

[*English*]

On the other hand, the Reform Party wants to cut all the social programs and let Canadians suffer on their own, abandoned by their government, abandoned by the social programs they have paid for with their taxes lo these many years.

**An hon. member:** All from rich provinces.

**Mr. Milliken:** And as my colleague says: "All from rich provinces".

I do not care where the money comes from. The fact is that Canadians expect there will be social programs in place. They may not be the same as they are today, but they want social programs and they want a voice in how those social programs will be shaped.

That brings me to the significant and important thing about this discussion. The Minister of Human Resources Development has produced a plan for discussion. He has invited Canadians to participate in this national debate to express to him and to one another what they think the social programs of the country should be like.

• (1645 )

We are not going to have unanimity on the point. I know the hon. members of the Bloc do not agree with anything the government has put forward. They fulfil the traditional role of an opposition and that is, oppose, oppose, oppose. I can understand that. I am not surprised by that. On the other hand I would hope they would engage in a dialogue with the government and put forward their ideas on how the social programs of this country could be improved.

As for the Reform Party, it was refreshing to hear the hon. member for Elk Island. However I am sure that if his leader had heard all his remarks he would have been horrified by what he was saying. I know his leader would not have agreed with everything the hon. member for Elk Island said. I can only hope that the hon. member is here tomorrow. I am worried that he is going to be shut up and gagged.

What he said about the importance of this program spending on students was correct. I am sure that in an ideal world it would be wonderful if students could come out of university debt free. I do not think that is the case for many students today and I do not believe it will be the case tomorrow. I think the situation can only get worse, not better, at least for a while.

That is the fiscal reality we are going to have to face; notwithstanding the demonstration yesterday and notwithstanding the demagoguery of the hon. member for Roberval who was out there saying that students deserved free tuition and all that sort of nonsense. That was considered when I was a student in the sixties. It was not adopted by governments then and they had a lot more money to spend than governments have today. It is simply not a realistic approach to the tuition issue.

I did not want to get into that. I am prepared today to deal with unemployment insurance and I will stick with that.

The Reform Party must acknowledge that we cannot bring the deficit of the Government of Canada under control simply by eliminating social programs. If members of the Reform Party—

**Mr. Hermanson:** A point of order, Mr. Speaker. The parliamentary secretary just made some allegations about a member who is not even present in the House regarding another member in our caucus. He talked about being gagged. I would appreciate it if the hon. parliamentary secretary would withdraw those comments. They were out of order.

**The Acting Speaker (Mr. Kilger):** I think the point raised by the hon. member for Kindersley—Lloydminster is more a matter of debate than a point of order. Like himself I have followed the debate attentively. In fact I do not believe I can attribute the inference to the parliamentary secretary. I think there is a debate going on between the parliamentary secretary and the previous spokesperson from the Reform Party as to whether that member would be here tomorrow or not and no one else who is here or not here at the present time in the Chamber.

I am prepared to return to debate. Unless the member for Kindersley—Lloydminster wishes to add something else, I will return the debate to the parliamentary secretary.

**Mr. Milliken:** Mr. Speaker, I hope that silly interruption will not be taken off my time. Even the hon. member for Kindersley—Lloydminster was huffing and puffing on that one.

Members of the Reform Party would do well to reconsider their ill advised stance with respect to Canada's social programs and get on board with the government to make the social programs better instead of just chopping and cutting the way they want to do.

I recall during the last election campaign I had many requests from electors as I went door to door asking what the Reform Party was really doing with its proposals to cut the deficit. Of course it had this great scheme for eliminating Canada's deficit by cutting $18 billion or $15 billion or something like that. We all know the deficit is $40 billion and so $18 billion was barely half of it. Yet that was the cut they were proposing during the election campaign. They were telling Canadians that was going to eliminate the deficit.

Most people could see that was hogwash. The people in Kingston and the Islands certainly saw that it was hogwash. I hope the Reform Party members who were elected running on that bowl of hogwash will be able to realize that it is time to change their tune, get into dialogue with the government in respect of what social programs could and should be and try to work with the government to make them better.

The hon. member for Elk Island in his very able speech spoke about one aspect of it. He did not tell us of any proposals from his party to improve the current proposals put forward by the government or suggest changes to the current system that would make the system one that we could afford or would be more workable or better for Canadians. That is the government's aim. That is what we would like to do.

• (1650)

I encourage hon. members opposite to engage in that dialogue. Work with the members on this side of the House in committee and in this House to come up with proposals that will better Canadians' lot in life and provide the income security for all that we so earnestly desire in this country.

**The Acting Speaker (Mr. Kilger):** Questions or comments. I take note of the interest of a number of members who want to speak. I would ask that questions and replies be rather brief and I will get as many on the record as possible.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, of course there is always a great response from Reform MPs when they are being unfairly represented by members on the other side of the House.

The hon. member for Kingston and the Islands talked a bit about discussing with his constituents the Reform position on social programs and on reducing the deficit. It is true that Reform has consulted extensively with Canadians. In fact while the hon. member was part of a party that was involved in rat packing and some very unproductive activities, Reformers were consulting.

I might add our leader led the way in consulting with Canadians and hearing the views of everyone, not gagging anyone I might add, but being very considerate of all opinions expressed by Canadians. Reformers found a consensus that they took to the electorate last year. That consensus was that spending needed to be reduced to save social programs that were most needed by the Canadian public.

The hon. member for Kingston and the Islands and his party did not undertake that consultation. We did not see that proposal in the red book. They did not have a plan. They still do not have a plan. They cannot even put out an action plan. They have a discussion paper.

How does the hon. member have the audacity and the nerve to make these allegations in the House when in fact there is no political party in Canada that has consulted more with Canadians and knows more about the wishes of Canadians on the deficit and on the reform of social programs than the Reform Party of Canada?

**Mr. Milliken:** Mr. Speaker, I have no trouble answering that question. We just heard the answer from the hon. member for Elk Island. If the hon. member for Kindersley—Lloydminster had been in the House he would have heard it.

The hon. member for Elk Island said that yes, the leader of the Reform Party consulted with all the members of the Reform Party and that was a great cross–section of Canadians. What utter rubbish. If he thinks so, I wish he had gone to the meeting last night that the hon. leader of the Reform Party was at in Quebec. I understand all of 50 people showed up to hear him at Cowansville, Quebec, members of the Reform Party. That was a cross–section of Canadians? Be serious.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, as we all know in this House from time to time there are those who take liberties with exactitude of what might have been said, otherwise known as nose stretchers. I think we have just heard one.

As the hon. member for Kingston and the Islands knows full well, our presentation during the last election campaign was $18 billion in spending reductions and $20 billion in growth. At that time the Liberals opposite were going all around the country like Johnny Appleseed saying: "Do not worry, everything is just fine. Those terrible Reformers are going to have to cut spending but we are not. We have never done it in the past. We are not likely to do it in the future. Do not worry. Vote for us. Everything is going to be okay". However, we are all in this boat together. They are finding that they have to do the very things that would not be done or we are going to destroy the country. All of a sudden, they are faced with the fact that they have to do it.

Since the hon. member does not think the Reform Party has a plan, what is his plan for reducing the deficit to zero? That is not a low hurdle. We all know the member opposite is part of the Liberal olympic low hurdle team. If you make the hurdle low enough anybody can stumble over it. Before he hurts his shins getting over this 3 per cent hurdle let us hear how he is going to get to nothing.

**Mr. Milliken:** Mr. Speaker, I have not said, nor has the government said, that it is going to reduce the deficit to zero. What it did say is in the red book, and the hon. member says he did not see it. Of course I am sure he did not read the red book during the election campaign. He should have. He might have joined the Liberal Party instead and he would be much happier than he is today.

• (1655)

The red book made it very clear that the government was committed to reducing the deficit to 3 per cent of gross national product by year three of its mandate. That is the promise the government is going to keep. That is the promise I was discussing earlier in my speech. I believe it is a reasonable promise. We have two more years to do that. By the end of the two years the government will have plans for reducing the deficit further I have no doubt. I am optimistic that with the great policies the government is pursuing we will have phenomenal growth in this country throughout the period that will reduce it further.

I invite the hon. member to wait for the budget. See what is in it and rejoice when it comes out.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, it is always an interesting discussion when the hon. member opposite begins to wax eloquent, especially if the wax is not fully hardened yet. I have particularly enjoyed some of his diatribe. It has been quite good.

I would like to add to what one of our hon. members just mentioned. This mutatis mutandis attitude the Liberal government has: Do not worry, be happy, everything will be okay. I wonder if those watching have heard enough yet from the Liberal side of the House that they will somehow, hopefully with about a 6 or 7 per cent growth rate, be able to balance the budget. I suppose sometime into their grandchildren's funeral party they will somehow be able to bring together a government plan that will bring the deficit down to zero.

Canadians are not fooled by the idea that if we set the boundary so low we can never be disappointed, if we just say that some illusive day we will be able to balance the budget. Canadians have had enough of this. That is why the green book, the red book, the mauve book, the pink book, the grey book, the flurry of studies this government has brought forward, not one of them has any idea that is ever going to solve this deficit problem. They are discussion papers. The latest one is another discussion paper. The Liberals put a nice title on it: "Jobs and Growth". It sounds good, but in the body of it there are no details, no goals, no dollar figures and no costing of the options.

The people watching are not fooled by this. Certainly on this side of the House we are not fooled by government proposals that continue to leave the dollar figures off the bottom line. The Canadian people are not fooled. It is time for action. The Liberals have wasted and squirrelled away a year. It has been the best year to take advantage of economic growth.

Why does this member and the government not move now while they have some political capital left to move and address this deficit problem? It is not going to get easier with the passing days. I encourage the member to grab the bull by the horns and come forward with some solid suggestions, not more discussion points.

**Mr. Milliken:** Mr. Speaker, the hon. member for Fraser Valley East has raised a number of points. I am delighted that he enjoyed my speech and feels that it provoked him to rise in the House and ask questions. I will try to make speeches more often to elucidate matters for him. I regret I cannot speak as often as I did when I was in opposition. I would have certainly enjoyed debates with him, although I suspect he would have been on the same side of the House just in one of the smaller parties.

The hon. member suggested that Canadians were being fooled by government proposals. They are not being fooled by any proposals by this government. He said that Canadians are fed up with the things they are getting from this government. Well the polls do not indicate that. Seventy–three per cent was the latest figure I read of satisfaction with the government, the highest ever. No government since polling began has done such a great job as this government has done in the eyes of the Canadian electorate who voted us in.

**Mr. Strahl:** You have not done anything.

**Mr. Milliken:** The hon. member says we have not done one thing. The other day I listened to a litany of complaints from one of his colleagues about things the government had done that he disagreed with. We have done all kinds of things and Canadians appreciate what we have done. It shows up in the polls when a government can get a 73 per cent satisfaction rating. It must make the hon. member and his colleagues green with envy.

I should also say that this party does not fool Canadians. We have not fooled Canadians in this debate. We have presented proposals. We have invited discussion. We have told Canadians what we are doing in an open and forthright manner. The only party that has fooled Canadians is the one headed by the hon. member for Calgary Southwest. I suspect he has fooled the members of his own party.

**Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, I want to compliment the hon. member for Kingston and the Islands for certainly raising so much attention to this great issue. I also want to thank him for reminding the Reform members that the Canadian people voted for the Liberal Party and its policies in the red book. They did not vote in favour of Reform Party policies.

• (1700)

I would ask the hon. member for Kingston and the Islands, what would be the impact today if the Reform Party policies were actually in place? How would they differ from the actual policies that are going into place by the Liberal Party right here in this House of Commons? We never promised what the Reform Party is talking about, so we do not have to deliver that. What we have to deliver is what we promised.

The hon. member for Kingston and the Islands has been very explicit in what he has said. He held up the books which contained the discussion papers. But the Reform Party is talking about figures. The hon. member for Kingston and the Islands knows very well that when you have a discussion paper you do not have bottom line figures. If you had bottom line figures to go on to begin with, why would you even have a discussion paper?

I want to ask the hon. member for Kingston and the Islands what is the purpose of the discussion paper? Would he explain that. I know, but I want him to explain to these people across the way who seem to think that the Canadian public voted them into office instead of the Liberal Party of Canada.

**Mr. Milliken:** Mr. Speaker, I can understand why members opposite think they were voted into office instead of us. I used to think that too when we sat on the other side. Canadians now wish they had voted us in and they would not have gone through five years of anguish they did from 1988 to 1993. Unfortunately, they did not. They were cajoled into voting for Mr. Mulroney and his gang and we all suffered as a result. The members of the Reform Party all acknowledge that and they know it is true.

In fact, because of the suffering imposed by that government many of the Reformers were elected in western Canada primarily. To my recollection they got one in Ontario and spoiled a perfect record for this party. But we did fine in Ontario and the hon. member knows that.

I thank the hon. member for Renfrew—Nipissing—Pembroke for a very sensible question. The purpose of this particular series of proposals was "Agenda, Jobs and Growth, Improving Social Security in Canada" to elicit the views of Canadians on improving the social security system in Canada. It was intended as a discussion paper. It is being used as a discussion paper. I had a public meeting in my constituency where members of the public were invited to make presentations and submit their views and there was discussion.

The hon. Parliamentary Secretary to the Minister of Human Resources Development was there as a special guest and he provided great illumination for all present. It was an excellent meeting. That is the purpose of the release of this paper.

I see my time has expired. I apologize.

**The Acting Speaker (Mr. Kilger):** 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 Notre–Dame–de–Grâce, VIA Rail; the hon. member for The Battlefords—Meadow Lake, Grain Transportation.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, we are having fun here this afternoon.

I rise in the House today to talk about a very important and I think a very serious subject that affects all Canadians. That of course is social program reform.

I was in my constituency this past week. I attended several townhall meetings, coffee shop meetings, meetings with chambers of commerce and other meetings. It proved to be a very difficult week because I was continually preparing my constitu-

ents for very depressing news. I laid out and explained the situation and the difficulties we face in the years to come in regard to dealing with reform of the social programs.

It was tough talking to people about cutting spending to social programs. It was tough talking about the $10 billion of federal government cuts that must take place other than cuts to social program areas.

It was difficult telling Canadians and having those people agree with me that we need to cut somewhere between $12 billion and $16 billion from social program spending otherwise these programs will collapse and we will lose them entirely.

• (1705)

In an attempt to lighten things in the evening and to make a very important point, I would start by relating a story about a neighbour of mine. This farmer was the frustrated type. He was the anxious type. To relieve the anxiety he would go out every Sunday morning on his road. He called it his road because he was the one who pushed to have it built and he was the one who pushed to have it paved. He would go out in his five speed car. He would go up the straightaway, get his car up to about 100 and go into a sharp curve and come out of the curve at 140. That made him feel good. That helped relieve his anxiety.

One Sunday morning he drove out to the end of his driveway. He just started accelerating up the straightaway and he saw around the corner someone on his road. As the car moved closer he saw it swerve. He thought: "My God, a drunk on my road on a Sunday morning". As the car came even closer he saw that it was a lady driver. He thought: "A lady driver on my road on Sunday morning, this is ridiculous".

He started accelerating but as he started to do that, the lady driver slowed her car down and quickly cranked the window open. He was not going to stop but he slowed down. As he went by he opened his window. And as the car passed he heard the lady shout: "Pig". He was really angry and really anxious. He accelerated down the straightaway, went into the corner at 120 and slammed, right into the pig".

I use this story to demonstrate that people with an attitude problem, as this farmer clearly had, often miss the signals that would help them avoid problems that are in the road. Because this farmer missed the signals he hit the pig. Because of his attitude problem he hit the pig.

I suggest that governments over the past 30 years have missed the signals. They have had attitude problems when it comes to cutting spending to preserve the social programs that people in this country value.

I want to talk today about spending, in fact overspending. It is the biggest problem the government faces today. To start this topic off at the meetings over the past week I presented a quote by P.J. O'Rourke which states: "Giving government money and power is like giving teenagers liquor and the keys to the car". That quote really hit home with people. They really could identify with that quote. Giving government money and power is like giving teenagers liquor and the keys to the car.

If we think about what has happened in the area of spending over this past 30 years or so with one government after another—Liberal, Conservative, Liberal, Conservative, Liberal—it has been the same problem, a problem that seems to be similar to giving teenagers liquor and the keys to the car.

My constituents one after another at one meeting after another just simply could not believe how this government operates. By that I mean how it is constantly overspending. They like to relate the overspending of this government to what would happen if they overspent in their personal budgets in running their homes.

The question came up again and again. How can they get away with spending more than they have? In my home if I was spending more than I have my family would eventually be without a home and they would be hungry. This was a common comment made by people in the constituency over this time.

What these people did understand very well is that the deficit, which is the amount that government spends more than it takes in over any one year, last year about $36 billion, cannot continue. These people did understand very clearly that the federal government debt, which is about $534 billion now, increasing at about $110 million per day or about $1,500 a second, cannot be continued.

I just want to put this debt and deficit into perspective by talking about how that relates to my family personally.

• (1710)

My wife, my five children, and myself own about $140,000 of this federal debt. We have to pay off about $140,000 of this federal debt. That is on top of my house mortgage and my farm debt, another $140,000 to pay off. Not only that but my family's share is being added to at a rate of about $10,000 per year. I am very concerned that it is going to be extremely difficult for my family as it is going to be very difficult for other Canadian families to pay their share of this debt.

Where does the federal government get its money? Where does the money come from? First of all about $58 billion a year comes from personal income tax, about $8.3 billion from corporate tax, about $17.5 billion from unemployment insurance contributions, about $15 billion from the GST, $11 billion from excise taxes, and about $11 billion from other spending.

Where does the other $40 billion to $41 billion come from? The sad truth is that the other $40 billion comes from borrowing.

Who does this Canadian government borrow the money from? It used to be that a majority of the money borrowed came from Canadians. Now, and I think this makes our situation even more difficult, almost 45 per cent of new borrowing comes from outside Canada.

Should the time come, and it almost certainly will if our government does not change its attitude so it can avoid this pig, it almost certainly will be cut off very soon. Lenders from outside the country will just stop lending. When that day comes we will face a situation that is every bit as serious as the situation that New Zealand has faced and the situation that Italy has faced, very difficult indeed.

Some say it is easy to get more revenue. All we have to do is increase corporate taxes. We have certainly heard from the NDP and from members of the Liberal Party over the past years: just increase the corporate tax.

I have a cartoon here that I think demonstrates very well the problem with that. It is a picture of people in a coffee shop who are saying "Well, this new tax plan sounds pretty good. We get a cut of 9 per cent and business picks up the burden". In the very next frame of this cartoon is a picture of their local grocery store and of course prices have gone up by 9 per cent. If corporate taxes are increased consumers pick up the full tab. There is no magic to it.

There just is no more room for increasing revenues. This government and past governments have had a spending problem. I think to demonstrate this it is important to look at spending over the past years.

I have a graph that shows spending from 1975 to the present. This graph shows in 1986 constant dollars, so inflation is taken out of the picture. Real spending has increased from $73 billion in 1975 to about $135 billion, again in 1986 dollars, in the most recent figures, an incredible increase in spending and it is not caused by inflation.

Where does the federal government spend its money? The first part of spending, the discretionary part, the part that government can change, is in a variety of government services. It is about $43 billion of services to operate government and various programs other than social program spending.

The social program spending makes up almost half of the total spending. The social program spending of about $80 billion per year along with other government services of about $43 billion per year make up all of the discretionary spending. The rest of the spending is interest payments, almost $40 billion a year in interest payments. To continue to carry the debt there is no discretion on spending in this area.

Interest payments can only decrease if the debt decreases. This large chunk, almost a quarter of total spending made up of interest payments is making it extremely difficult to fund our social programs. If we are going to maintain these programs, clearly we are going to have to stop adding to the debt. We are going to have to spend less on providing social programs in a way that is acceptable to Canadians.

• (1715)

When I am talking about social programs I am talking mainly about old age security, the Canada pension plan, payments that go to compensate or to carry people through unemployment and the child tax benefits. These are called program payments to persons.

The other portion of federal government spending is transfers to provinces. The transfers to provinces go to cover welfare. Established programs financing also covers health, advanced education and equalization payments.

Just before I get into the area I want to talk most about, which is old age security, I would just like to talk a little bit about equalization payments.

Equalization payments are meant to transfer money from the wealthy provinces, the so–called have provinces, to the have not provinces. How many have provinces are there in Canada? What would you guess, six or seven? No, there are three have provinces when it comes to calculating equalization payments. They are British Columbia, Alberta and Ontario. Ontario is getting very close to the line. In fact, two years ago part way through the year it appeared it had become a have not province under the calculations. Three provinces are paying and seven receiving. Who receives? All of the other seven receive. But the interesting thing is that Quebec, the fourth wealthiest province receives by far the largest portion of equalization payments.

I would like to spend the rest of my time talking about old age security. Old age security is the universal pension program which is made up of three separate programs. First is the old age pension which makes up about $14 billion per year in federal government spending. The second area is guaranteed income supplement, about $4 billion per year. These figures are for 1992–93. The third area is spousal allowance, which is half a billion dollars a year.

When people saw these figures on the overheads I used during my presentations over the past week, they looked at that half a billion dollars as nothing compared to the rest. When they thought of it as $500 million they realized it was not insignificant. Spousal allowance made up that other half a billion dollars. The total on old age security spending is about $19 billion a year.

Before I get into my presentation on old age security and other pensions, I would like to set the stage. A couple of points that I brought out really shocked people who were at these meetings. Again we are talking about the reality of the present situation in social program spending and what is going to happen as the population ages over the next years.

As a percentage of Canada's population, the increase is from about 7 per cent in 1951 to an increase of almost 23 per cent by 2030. I would like Canadians to think about this. Are there any of you who are on pensions? Or any of you who will be on pensions if we are around a few years down the road? I would like you to think about these funny looking kids with the baggy pants. You know the kind of pants, they hang halfway down. Do you want to depend on these funny looking kids to provide your pension in the future? That is exactly what we are counting on.

On the other hand these funny looking kids are not stupid. Let us look at the other side. These funny looking kids are very intelligent. These are the kids who are going to have to pick up the huge debt we are continually building and laying at their feet. Do you think these funny looking kids in the baggy pants are going to be so stupid as to pay the debt down and as well continue the pension, especially considering the fact that in 1951 there were about 14 working Canadians to pay for every person on a pension. By 2030 there will be only two working Canadians to pay for each person on pension. Do you think these kids with the funny looking pants are going to be willing to pay the full debt we have built and pay for our pensions? I would suggest not. These funny looking kids are smart and unfortunately we have laid an unfair burden at their feet.

• (1720)

That was old age security. I will quickly lay out a few points in regard to the Canada pension plan. First, this plan is now funded by a 5 per cent payroll tax. The Canada pension plan pays about 25 per cent of former salary up to about $8,000 per year. The Canada pension plan currently pays out about $13 billion per year.

The sad thing is that right now the Canada pension plan fund is about $500 billion short. The accrued liability is about $500 billion and this $500 billion does not show up in the government figures when it is talking about debt? This is another debt on top of the federal and provincial governments debts. This is an incredible amount and is going to be very difficult to deal with.

To sustain the Canada pension plan, for which the funding is now about 5 per cent, year to year we would have to pay off the top about 13 per cent of earnings. Every Canadian would pay off the top about 13 per cent of earnings by the year 2040 just to sustain the plan.

As I wind down today I would like to talk a little bit about the need to build incentive into our social program spending and the key role that reintroducing incentives will play in making these plans manageable and sustainable.

I was at a farmer's place over this past week and he talked about how he offered a big part of a field which was cultivated to people who were on welfare in the town. He advertised it around town. He has done a lot of work with people on welfare and is very concerned about them. He offered this land to these people at no cost. How many do you think came out and took advantage of his offer? None.

He planted the garden, took care of it, and when it was harvest time he went to the people on welfare and told them they could go out and take what they wanted from the garden. How much produce do you think they took from the garden? The answer is absolutely zero.

We need incentives. There has to be incentive in a system to make sure that people who are receiving money are only those who need the money.

Look at what has happened with unemployment insurance over the past few years. The unemployment insurance rate has fluctuated but over time it has continued on an upward trend. The interesting thing is that when you look at unemployment insurance and you compare it to the consumer price index you will find that the consumer price index has not gone up nearly as fast as the unemployment insurance payments have.

What is the incentive for people who are looking at pensions? For unemployment insurance, for welfare, we know what kind of incentives we can put in place. It was very encouraging that at these meetings people who are on pension said they knew that maybe it was fair that they should take a cut in pension if they could afford it. Philosophically, I have a problem with that. But these pensioners said they were willing to make that sacrifice. The people who made the point with me the best are those who were veterans. At the ceremony on November 11 and at the 50th anniversary ceremonies over the past year veterans have been the people who have impressed me with their sacrifice and their commitment.

The wife of a veteran at one of our meetings said: "You mean my husband fought to preserve this country and I sacrificed in the war effort to preserve the country and now, rather than the enemy from without destroying our country, the enemy from within will destroy our country?" She was saddened by this and so was I.

• (1725)

**Mr. Tony Valeri (Lincoln, Lib.):** Mr. Speaker, I want to make a few comments. I understand the member had meetings in his riding and that he said he had difficulty preparing his constituents for the massive cuts. He also mentioned that governments have developed an attitude problem.

I suggest to the hon. member the present government's attitude is positive and inclusive. In fact the green paper really provides Canadians with an opportunity to participate in the reform of these social programs. The process itself has been to address the inefficiencies of the social security system so that we can protect those who are most vulnerable and provide every opportunity for Canadians to experience the dignity of work.

The hon. member mentioned his farmer's offer. This is a good reason to look again at these social programs so we can look at the incentives and disincentives. I had a workshop this past Sunday where constituents in my riding of Lincoln pointed out some inefficiencies. One of them was that government must remove the disincentives to work.

We need to stop duplicating training programs. We need to look at more effective ways to have different levels of government work together. The member's whole talk was about spending cuts. This whole process of social security reform is to look at aspects of that program that may not be working efficiently.

Canadians have an opportunity to provide solutions and look at these inefficiencies. The member must agree with the process in having Canadians speak to these inefficiencies. It is only one aspect of government we are talking about here today. We certainly have an overall objective of meeting our target of 3 per cent of GDP. I would like to hear some comments. The member is talking about massive cuts. The purpose of this whole reform is to give Canadians an opportunity to speak to the inefficiencies of social security reform.

**Mr. Benoit:** Mr. Speaker, I appreciate the comments and question from the hon. member. I would like to start with a little point of clarification. The hon. member said that I had difficulty preparing constituents for cuts. That is not the case at all. In fact they recognized the need for these cuts because they know that is the only way these social programs can be preserved. That was not the problem.

It was not a problem but it was very difficult for me and painful for them to lay the situation out, having them realize there is no other place to make the cuts other than in social program spending and in other areas of federal government spending. In other areas $10 billion would be about the maximum. It would be very difficult to cut $10 billion from the $43 billion in other spending.

That means there have to be spending cuts of between $12 billion and $16 billion from social program spending. I was asking them as they went along: "Does this make sense to you?" They told me: "Yes, we know this has to happen and your presentation has really made it that much more clear, especially in regard to the aging population and the number of people on pension".

[*Translation*]

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I listened as the hon. member from the Reform Party outlined his party policy and we heard the government member's argument in reply. Of course, we have a position of our own, a third position. We agree in part with what was just said in reply about the need to proceed cautiously instead of cutting blindly.

The hon. member says that we should think about the future of Canadian youth, so that they can find jobs and eventually contribute to the pension fund. I am in full agreement with him on the objective, but I do not think that blind cuts are the right way to go about it. I think we should be looking at job development, joint action and regional development policies instead. To provide employment, that is what it boils down to in the end.

Cuts are necessary, but I think that we should look to cut in other programs, not in social programs. As a member from the Reform Party indicated, you do not eliminate unemployment by eliminating unemployment insurance. Some solutions may be too drastic. As if the unemployed were responsible for their misfortune.

So, I would like the hon. member to comment on my general remarks. As today's debate draws to an end, I wanted to raise a somewhat conflicting view.

[*English*]

**Mr. Benoit:** Mr. Speaker, when the hon. opposition member talks about blind cuts, I agree with him. This is not the time for blind cuts. That is why as Reformers we have been going across our constituencies and across the country. We are presenting several different options.

I also presented the government's discussion paper. People's comments on it were: "Where are the options?" We have one or two options in most areas at best and they are only to discuss. Reform presented a series of possible options.

Blind cuts, no. We presented a real picture to the people in our constituencies. That is what I did in my constituency. Then we presented options and were saying: "You tell us where you want the cuts to come from". No blind cuts. I could not agree more.

**The Acting Speaker (Mr. Kilger):** It being 5.30 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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# PRIVATE MEMBERS' BUSINESS

[*English*]

## ACCESS TO INFORMATION

**Mr. Bob Mills (Red Deer)** moved:

That, in the opinion of this House, the Parliament and crown agencies should be subject to scrutiny under the Access to Information Act.

He said: Mr. Speaker, it gives me great pleasure to rise today to talk to my Motion No. 304 which argues that Parliament and crown agencies should be subject to scrutiny under the Access to Information Act.

This topic is one which is of vital interest to Canadians and because of its importance Motion No. 304 was made a votable item. This will give members of Parliament a great opportunity

to go on the public record to show that they care about opening up the political system and that they think our citizens should have the right to use the Access to Information Act in a more modern and inclusive way than is currently possible.

The motion is not a partisan political football which Reform is bringing forward to make life tough for the government. In fact we very much hope the government and official opposition will see the motion as one which is constructive and in the greater interest of all Canadians.

As we all know, under the nine–year Tory regime Canadians desperately wanted a more accountable and transparent government. The wishes of the people were dashed by the Mulroney and Campbell governments whose grossly unaccountable behaviour caused public cynicism to grow to an all time high.

Compounding this frustration billions of tax dollars were funnelled through crown agencies such as the CBC, Canada Post and the Canadian Wheat Board which were even less accountable than the government. At least we could vote the Tories out of office but crown agencies are another matter altogether.

As long as crown agencies are going to be run in the way they are, Canadians deserve to know what they are up to. Obviously sensitive information that is vital to their ability to compete in the marketplace would be exempt under the provisions of the Access to Information Act. More general information about their spending and business practices should be fair game. As crown agencies all Canadians have a stake in how they are run. Therefore they must be subject to public scrutiny.

All this I say by way of introduction. I am saying that Canadians are facing a problem. It is summed up by a quote from the public policy forum of 1993 which stated:

> Given the sustained and often angry criticism that has been widely expressed by the public in recent years, it is remarkable how little has been done by way of reform.
>
> Of all the grounds on which successive governments, together with MPs, could be charged with being unresponsive, none is more striking than the lack of response to unmistakable expressions of public dislike of the manner in which Parliament goes about its business.

• (1735)

I believe this statement is an accurate reflection of what Canadians are thinking. I also believe this line of logic can be extended to their perceptions about crown corporations. Therefore I have suggested that Motion No. 304 be adopted by the House to send a clear sign from Gander to Victoria that the Parliament of the Tories is gone and a truly new day has broken.

Gone are the days when back room politics were acceptable. Gone are the days when Canadians would remain quiet as politicians and crown agencies acted unilaterally and without accountability. I hope that Motion No. 304 will give members of Parliament a clear opportunity to break with the old way of doing things and show they care about the wishes of the Canadian public.

As we are well aware, Reformers were elected to open up the political process and seek out greater involvement from the Canadian grassroots. We want to bring about constructive change and ensure that our political institutions and crown agencies operate with honesty and integrity.

I do not think we are alone, however, in calling for these changes. I am certainly aware that the Liberals found the same matters to be very important at least while they were in opposition. I would only hope to believe that their desire for openness, accountability and integrity is still intact.

Let me remind our Liberal friends about the values which they claimed to believe in during the election campaign. To do this I think I will quote from the red book since it is often referred to by my friends in government on the other side. The following are a number of statements which make their position crystal clear. The first statement reads:

> Canadians have always prided themselves on the quality of their democratic institutions—If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

The second statement reads:

> The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable. There is evidence today of considerable dissatisfaction with government and a steady erosion of confidence in the people and institutions of the public sector.

These statements are all from the red book. The last statement reads:

> A Liberal government will take a series of initiatives to restore confidence in the institutions of government. We will introduce reforms to Parliament—Open government will be the watchword of the Liberal program.

Clearly the Liberal position must approve of the spirit of this motion. Motion No. 304 is precisely the type of initiative that will restore the confidence of Canadians. I implore members of the Liberal caucus to consult with their House leader and whip to confirm that they should all stand behind the motion 100 per cent.

Over the coming months I look forward to speaking personally with my colleagues on the government side and in the Bloc. I encourage any member to call my office to let me know so that we can work together on this proposal.

Reform members of Parliament such as myself do not need to always find a fight. While we will never agree with members of the government on all accounts, on issues such as this one where there is a natural alliance I think we should co–operate. In fact if we take this co–operative approach it will go further still toward restoring the confidence of Canadians that Parliament is truly undergoing constructive change to make it more accountable, transparent and responsive to the wishes of the electorate.

If I can move on to members of the BQ, while you do not have a red book to quote from I know that openness, integrity and accountability are important to you as well. As I have sat in the House for the past year I have witnessed your complaints about the secretive and unresponsive government on many occasions.

**The Acting Speaker (Mr. Kilger):** I hesitate to interrupt the member, but I would like to remind members of the House to direct their comments through the chair and not in such an informal and familiar way as to use "you" and "your".

• (1740)

**Mr. Mills (Red Deer):** Mr. Speaker, I would simply make them aware that they have talked about these crown corporations and crown agencies. I know they are concerned about the veil of secrecy that seems to enshroud them.

The desire of the people of Quebec for open and accountable institutions is just as great as in Alberta, Ontario, the maritimes, or for that matter anywhere else. I would therefore ask members of the Bloc to join us in supporting Motion No. 304. I am sure it is one example where they will not get in trouble for voting with the Reform Party.

Let me just quote briefly from the 1991–92 annual report of the information commissioner to further illustrate my point. The information commissioner wrote:

> The access law has attained a maturity of political whim. It is a law which cuts across and goes beyond party politics. It should appeal as much to the conservative as to the liberal or the social democrat. The Access to Information Act is ideologically neutral, without party coloration.
>
> Conservatives who worry about the state growing too powerful should applaud the empowerment, that indispensable trendy word, of the individual by information rights; liberals and socialists in Parliament and elsewhere will welcome the sharing of the government's information better to challenge those in authority and effect changes in society.

In my speech I have tried to express the universal nature of the motion to expand the Access to Information Act. This is not a partisan bill. I firmly believe we can get all party support for the motion. If we get this support we will send a strong, positive message of change to the people of the country. The people of Canada are waiting. It is time for us to act.

Now that the House has heard my speech on unity and the universality of the motion, I want to talk a bit about the Access to Information Act in case people have some concern that we are trying to open up everything and cause the system not to work any longer.

To quote from the act, its purpose is to extend the "laws of Canada to provide a right of access to information in records under the control of a government institution in accordance with the principles that government information should be available to the public".

For those of my colleagues who may worry about the consequences of extending the act to Parliament, I assure them this would not force members to open up their own private files on constituency business or matters relating to their positions in their respective parties.

The motion would allow the opening of the business of the House to public scrutiny. This would include financial matters which are currently handled by our respected Speaker of the House, the expenditures of the Senate, the Sergeant–at–Arms and the Black Rod.

For example, the House will be undergoing a 12–year renovation projected to cost over $250 million. This kind of expenditure is massive so the details surrounding the contracts and spending should be available to the public. Certainly reading some recently published books about government contracts being handed out will make that more of a consideration for the public.

While I am certain the Speaker of the House will do everything in his power to make sure that the renovation goes properly, all Canadians will feel better about the project and those like it if they have access to documents. If citizens know they are getting the straight goods they may just begin to trust us a little more.

For members concerned that extending the scope of the Access to Information Act will be too much of a good thing, I point out a comment of the information commissioner who wrote:

> Of course access to rights are not absolute. They are subject to specific and limited exemptions, balancing freedom of information against individual privacy, commercial confidentiality, national security and the frank communications needed for effective policy making".

This limitation would apply to Motion No. 304. Any members of this House who are concerned that they would somehow be opening up Pandora's box by voting for this motion should rest assured. In fact those who are particularly nervous about exposing themselves to an unreasonable amount of crime need only look through the Access to Information Act itself. They will find there are a full 16 pages of exemptions which will guarantee that their legitimate right will not be breached.

• (1745)

Nonetheless Canadians need to know that they do have the right to ask certain questions. These questions are not only legitimate but they are essential to the proper working of our

democracy. Beyond this, if there is clarification which is required as to the exact implications of M–304, I am certain that the parliamentary justice committee which is responsible for this would do an excellent job.

As members can see, there is no reason to be concerned about this motion and every reason to expect that it will be exactly the kind of initiative that the Canadian people have been waiting for from this Parliament.

I would like to conclude by once again referring to the words of the information commissioner in the 1991–92 annual report who made an interesting point that I think all parliamentarians should listen to. He said: "The Access to Information Act lacks visible champions of openness in Parliament. It matters not whether parliamentary access advocates come from either government or opposition benches. Preferably they should come from both sides of the House and, in particular, from the members of the justice and solicitor general committee. The information commissioner is a voice from the outside. Parliament should have some inside voices preaching for and defending the access to rights. A note to members of the next Parliament", and that is us, "anyone looking to be identified with a good issue should consider freedom of information. Any such champions will quickly receive attention".

I am asking all members here to get behind an act like this and a motion like this. This basically, above all, is going to send that message of openness, accountability, and transparency that all of us have been talking about and working toward.

One other thing the hon. member gives me as an example, if I can just add one more piece to this as I think I do have another minute or so.

Talking about access to information, I have just received information from the hon. member for Calgary Centre. Last night he was told about a meeting in Kingston and the Islands which 65 people attended. Five were media, 30 per cent were anglophones and 70 per cent were francophones. They were curious and interested in Reform. They were fed up with the over–government of the PCs and are now fed up with the under–government currently being offered by the Liberals.

As a point of information, the first Reform meeting held by the member for Edmonton Southwest only had 11 people and today he is a member of Parliament.

**Mr. Barry Campbell (St. Paul's, Lib.):** Mr. Speaker, I would like to address this motion. I am pleased the hon. member for Red Deer so vigorously supports the principles exemplified by the Access to Information Act that he wishes to see its coverage expanded. Such enthusiasm is to be commended.

I am happy to say that this government remains firmly committed to the principles of openness contained in the Access to Information Act. Such openness assists in debate on national issues, provides background for the development of public policy and allows more in depth explanation of government processes and decision making.

[*Translation*]

This is why our government is always prepared to look at ways to improve public access to information held by these Crown agencies, this in order to promote government accountability. Currently, the legislation applies to government institutions listed in the schedule to the act. If a department, an agency or a board is not mentioned in the schedule, the legislation does not apply to it. It is that simple.

• (1750)

[*English*]

At the time the act was passed in 1982 there was careful consideration given to which institutions should be included in the coverage of the act and which should not. There are ways in which the act could be updated to reflect the new information age. It may also be that the sorting of the institutions into the categories of those covered and those not covered could also be reviewed and updated. I do not believe that this is something which should be done in a casual or haphazard manner.

In considering the suggestion that the Access to Information Act be expanded to cover Parliament and crown agencies, as with all proposals for amendment to the Access to Information Act, the government is guided by the need to ensure that all amendments to the act and to its schedule are in the public interest.

While on the face of it providing access to government–held information may be seen as obviously in the public interest it is not necessarily the case. If it were the Access to Information Act would contain no exclusions or exemptions. We would just throw the information doors wide open.

[*Translation*]

There are competing public interests which must be taken into consideration. In the same way that exceptions serve public interest by protecting personal information on taxpayers, or information received in confidence from our government, it may be in the public interest to protect some information held by Crown agencies or by Parliament.

[*English*]

We must consider these competing interests before making such a sweeping recommendation.

When the motion refers to crown agencies it is unclear whether the term should be taken to refer to crown corporations or if it is intended to include a much broader range of institutions. After all many institutions which would normally fall under the heading of crown agencies are already covered by the act. CIDA, the Canadian International Development Agency, is already covered, as are national museums, the Federal Business Development Bank, the Space Agency, the Atlantic Canada Opportunities Agency, and so on. On the other hand the act does

not currently apply to Canada Post or the National Arts Centre Corporation. We cannot assume that these were frivolous decisions as to who was included and who was excluded.

When considering expanding the coverage of the Access to Information Act to crown corporations the concern for a long time now has been that making all crown corporations subject to the act could for some of them result in harm to their competitive position relative to their private sector counterparts which are of course subject to no comparative requirements for openness. The hon. member for Red Deer alluded to this.

What might be required to mitigate such potential for harm would be additional amendments to the act which would provide crown corporations with an exemption tailor–made to protect information that if disclosed would result in injury to the competitive position of the crown corporation. The private sector corporations have such an exemption to protect commercially sensitive information in the financial information that they are presently required to file and no less protection should be provided to crown corporations.

[*Translation*]

While expanding the act to cover crown corporations is not a bad idea in itself, it must be examined in its proper context. In fact, the whole framework of the act must be examined from that perspective.

[*English*]

If the motion is intended to cover a broader range of institutions then careful consideration must be given to the implications for each type and for each institution. There is not enough room for that in the motion.

Much the same thing can be said concerning the suggestion that the act be expanded to cover Parliament. While in principle this is a laudable idea there are more than a few practical issues to consider. Just what coverage would the act have? When this issue was considered previously it was generally believed that it would be unwise to cover the personal offices of members of the House of Commons and senators but I think Canadians want to understand why that is.

[*Translation*]

The problems which could result from a decision to include the offices of MP's in the coverage of the act will have to be taken into consideration before such a measure can be taken. On the other hand, if members' offices are not to be covered by the act, then we will have to define very explicitly the precise scope of the act.

[*English*]

Where would responsibility for the application of the act by Parliament lie? Who would be considered to be the head of the institution for the purposes of the act with the authority to release requested information or deny access on the basis of exemptions contained in the act? If there was a complaint concerning the handling of a request made to Parliament under the act would it be a conflict of interest for the information commissioner as a parliamentary agent to investigate such a complaint? Would Parliament report to itself on its own administration of the act? These are not simple questions.

• (1755)

When considering possible amendments to the Access to Information Act or its schedule of institutions, consideration would also normally be given to the Privacy Act and its schedule of institutions.

Generally speaking, there are more government institutions covered by the Privacy Act than the Access to Information Act since the principle of providing individuals with access to their own personal information is seen as even more widely applicable than the principle of open access to general information.

[*Translation*]

If we were to extend the application of the Privacy Act to Crown corporations, it seems that there would be less obvious risk of harming the institutions' competitive position.

[*English*]

In the case of Parliament there remains the question of whether the Privacy Act would cover the personnel records contained in the offices of members and senators. It is clear that it would be beneficial for employees of the House and the Senate. Even in relation to the Privacy Act it is clear that expanding the coverage of the act must not be done in a haphazard manner but must be done in full consideration of the public interest in the possible outcome.

To summarize, while the idea of expanding the coverage of the Access to Information Act to Parliament and to crown agencies is surely based on a concept of openness which this government wholeheartedly supports, the practical implications of such an expansion of coverage cannot be disregarded.

[*Translation*]

For now, the most logical solution would be to keep these suggestions in reserve so that they can be considered as part of another process to amend the act for which the Minister of Justice and the President of the Treasury Board will initiate consultations.

[*English*]

At that point every member will have the opportunity to make suggestions for amendments to either the Access to Information Act or the Privacy Act or both. Possible amendments to these

acts will be open to full debate as pieces of an amendment package instead of as a separate patchwork proposal.

We do not wish to interfere in that process or to prejudge any of its outcome. We want the Canadian people to have input into this process.

All this is to say that while I very much support the principle which I believe lies behind this motion, I cannot support the motion itself at this time.

[*Translation*]

**Mr. Gaston Leroux (Richmond—Wolfe, BQ):** Mr. Speaker, on behalf of the Official Opposition, I have the pleasure to speak on this motion from the member for Red Deer:

> That, in the opinion of this House, the Parliament and Crown Agencies should be subject to scrutiny under the Access to Information Act.

I must say to the member for Red Deer that in his speech, he of course mentioned that his objectives were similar to those of the Bloc and the Official Opposition. Yes, this is in line with our objectives of openness and clarity in the management of public affairs and it is also in line with the taxpayers' right to know, as it is called in a democracy.

Remember that the Access to Information Act was passed in 1982 and implemented the following year. This law gives a right to access federal government documents. Under it, government institutions must make their documents available. However, there are exceptions to access to information. For various reasons that I want to deal with in this speech today, several Crown corporations like farm product marketing boards, the Canadian Broadcasting Corporation, government bodies like the House of Commons, the Senate, the Library of Parliament, office holders who report directly to Parliament such as the Chief Returning Officer, the Commissioner of Official Languages and the Auditor General are not subject to the Access to Information Act.

The Bloc Quebecois deeply believes that in a democratic system, public affairs must be conducted as openly as possible. Nevertheless, the everyday reality of running the affairs of state shows us that any system of access to information must balance various divergent interests.

On the one hand, the government must be accountable to the voters for what it does, as is the case in all western democracies, so that these voters can evaluate the government for its achievements, integrity and honesty. On the other hand, we agree that in reality some affairs of state must remain confidential.

• (1800)

This confidentiality was recognized in the exceptions listed in the Privacy Act and the Access to Information Act. These laws protect information whose confidentiality is crucial to the security and integrity of territory under state jurisdiction.

These laws also protect private interests related to personal and commercial information. A Crown corporation like the CBC should, in our opinion, be subject to the Access to Information Act, but there should be some exemptions because otherwise competitors could benefit, thus threatening this corporation's commercial balance.

Atomic Energy of Canada is another glaring example. How could this agency be subject to scrutiny under the Access to Information Act, when the Canadian government stubbornly promotes the development of such a dangerous and polluting energy source? For the current government, certainly not. But it should be possible in the name of quality of life and the environment.

As we can see, the problem underlying any system aimed at opening up public administration goes far beyond the motion tabled by the hon. member for Red Deer. It is not enough to say, as stated in the motion, that the Parliament and Crown Agencies should be subject to scrutiny under the Access to Information Act. As we have seen, the issue is twofold: how to improve the right to know while strengthening privacy measures.

On the other hand, arguing that the Canadian Parliament should not be subject to the Access to Information Act, as this institution is a symbol of democracy in the Canadian federal system, would be questionable.

Committed as it is to the principles of democracy and to promoting increased transparency in the present system, the Bloc Quebecois just has to support the report tabled in March 1987 in which the Standing Committee on Justice and Legal Affairs recommended that the Access to Information Act apply to all federal institutions, including administrative tribunals, the Senate and the House of Commons. The Bloc lays particular emphasis on the need for much transparency, in the other place in particular, because, as I am on record as saying in this House, the public must be allowed to scrutinize the wild imaginings of a body that is undemocratic because non–elected.

Incidentally, one wonders about the need for an organization like the Board of Internal Economy of the House of Commons —and this is another important example— to be subject to public scrutiny under the Access to Information Act, since such a provision promotes in no way better democratic process or greater transparency in this institution.

To conclude, the Bloc Quebecois agrees with the essence of Motion 304 and is in favour of the Access to Information Act applying to every government institution funded from the public purse. The main goal, as far as we are concerned, is to promote accessibility and transparency throughout the Canadian federal administration, and given the political climate that has set in within the federation since the 1970s, when the Liberal Party of Canada was in power, we emphasize the need to establish as a mater of urgency this openness, this transparency that the

Liberals themselves praise so much in quoting from their red book all the time.

So, let us act and implement a real access to information legislation, a meaningful legislation that reflects a justice and truth–conscious democracy.

[*English*]

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, it is my pleasure today to speak to this motion put forth by my Reform colleague, the hon. member for Red Deer.

Since its introduction just over 10 years ago, the Access to Information Act has had a tremendous effect in opening up government. Government has been forced to be much more careful in the way it conducts business not only by the Access to Information Act but the Privacy Act as well. These two pieces of legislation have probably made for more open and honest government than any other government proclamation.

• (1805)

Countless scandals have been uncovered through the Access to Information Act. Questionable contracts, leases and patronage appointments have all been uncovered through this legislation. The legislation has given substance to some accusations letting the whole country see what really transpired in some questionable deals.

One might even suggest that the very make up of the House of Commons is due in part to the access legislation. Scandal after scandal in the previous government was uncovered or confirmed by this legislation. The public's contempt for the previous administration's lack of honesty and integrity was the main reason that party was reduced to only two seats in this House. It is a legacy that all members of this House have to live with. Respect for politicians is extremely low. It is up to the members of this Parliament to regain that respect.

The one thing I constantly hear from my constituents is that I must strive to make government more accountable. We have to open up the political process and show Canadians that we really are working on their behalf. We do this by making government as transparent as possible. We must start with our own House.

The mere fact that the operations of Parliament are exempt from the Access to Information Act gives the public the perception that we are trying to hide something. The 35th Parliament has taken some steps to be more open. The fact that the minutes of the meetings of the Board of Internal Economy are now being published is a move in the right direction.

We have to ensure that Parliament is not only conducting its business in an appropriate manner, but that it is seen to be conducting itself in an appropriate manner. By making Parliament itself accountable to the Access to Information Act, the public would no longer have to speculate what we are hiding.

Yes, taxpayers may be outraged about the extent that they are subsidizing the parliamentary dining room. If they are outraged, they would have every right to be. After all, it is their money. If we cannot justify the subsidy to the dining room, or any other perk that we receive, then perhaps we should not be receiving it. If, on the other hand, we believe the taxpayers are getting good value for their money then we should not be embarrassed to receive it. Either way we should not be denying the Canadian taxpayers the opportunity to learn how we are spending their money.

Some may suggest that we as parliamentarians would be sacrificing the confidentiality of our constituents by making our information available under access to information. In fact, the confidentiality of our files would be protected as our files would be exempt. The Privacy Act provides a great deal of protection by ensuring that the access request cannot be used to obtain information about individuals. However the way we conduct our business should and must be made available to the public. It is the only way that we can try and regain some of the respect for our position.

Another complaint I frequently receive from my constituents is about how their money is spent by crown corporations. Crown corporations claim that their competitiveness would be adversely affected if they were required to respond to access requests. Competitiveness is a legitimate concern.

The Canadian Wheat Board should not have to reveal in advance what it projects its buying and selling rates are going to be. This information would be of tremendous benefit to its competitors in foreign lands and would end up putting Canadian farmers at a severe disadvantage. The act calls for a specific exemption for information of a competitive nature and this data would not have to be released in any event.

Let us look at a couple of different examples starting with Canada Post. A number of my constituents were concerned about their subsidizing the courier facility with revenue from their mail delivery. They believe that Canada Post would be able to undercut the rates charged by other courier companies because of this subsidy. Access to information would let Canadians know if this is what Canada Post would be doing. However, it is possible that Canada Post would be able to declare a competitiveness exemption. The question arises, should this be allowed? I think the question could best be answered by the access commissioner, and he should be able to respond to it.

However he needs the mandate and this motion would provide him exactly with that.

• (1810)

In a similar situation, officials at CTV recently questioned the validity of CBC bidding on major events. Does the $1 billion taxpayer subsidy permit CBC to outbid private broadcasters for such events? Should CBC's competitors be allowed to utilize access legislation to look at CBC's books?

Some questions about access to information requests as they pertain to crown corporations are easy to respond to. Canadians should have an unfettered right to determine if any government department, agency or crown corporation is wasting taxpayers' money.

Should Canadians be able to decide if the CBC is spending too much of their money on a top heavy bureaucracy? Yes, no question. Should CBC be able to declare an exemption on the basis of competitiveness? Perhaps, but these types of requests can always be resolved by the independent access commissioner.

If this Parliament is to recapture a measure of respect lost by past wrongdoings it must make every effort to provide accountability and transparency in government. This will only occur if we can convince Canadians that we have nothing to hide. Let us start with making our own house open to the people who pay the bills, the Canadian taxpayers.

I call upon all members of this House to support this motion.

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I would like to address this motion proposed by the hon. member for Red Deer.

The objective of seeking ways to make government operations more open and accountable to Canadian citizens is a very good one. The hon. member is to be congratulated for bringing this motion before the House. This idea is something that should be pursued vigorously by all members of this House. As the previous speaker said, accountability is something we need more of and something the Canadian public wants more of.

In fact the Liberal Party's policy as stated in "Creating Opportunities" otherwise known as the red book, is to promote more open and accountable government. This is a promise all members of government are taking very seriously and are striving to implement in various ways.

As I have said, I agree with the objectives that motivated the member for Red Deer to propose this motion. However, I have three main concerns.

The first is that I believe the Access to Information Act should be given a complete review. The best way to do this is to let the Minister of Justice proceed with his publicly stated plans to do this. Second, I am concerned that the motion suggests that this House thinks the most important reform that can be made is to make more institutions subject to the present act rather than changing the present act to create greater access to information from institutions already subject to the act. The third area is that the motion is perhaps a little too vague in certain areas.

I want to explain each one of the three areas because I think they are important. This subject matter is of very great importance. It is one all members should hold the government to be accountable for in this Parliament.

Since this act was created in 1982 there have been two information commissioners who have made numerous recommendations for reforms to the act. There was a 1986 parliamentary committee report entitled: "Open and Shut", a 1987 response from the former government called: "Steps Ahead", many court cases and a lot of administrative experience with this act.

• (1815 )

In addition, many institutions have adopted access legislation in recent years. The first was in Nova Scotia in 1977. Since then the federal government, as we have stated, the governments of Newfoundland, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, British Columbia and the Yukon have all adopted access legislation. Alberta's access law is waiting to be proclaimed. Outside Canada, Australia and New Zealand have recently adopted access legislation and the United States amended its freedom of information act in 1986.

In addition to various access laws being adopted, the federal government has issued a blueprint for improving government services with new technologies. There is an Information Highway Advisory Council. One of the advisory council's subcommittees is called access and social impacts. Access to information must be considered in light of past experience and the new technologies that are before us today.

Given all of this activity on recent issues, it is important that we ensure full consideration is given to the various recommendations in recent years and experiences under the access laws.

We also need to call on the collective experiences of federal government officials in determining the lessons to be learned from the first decade of experience with the act and from other jurisdictions.

The Minister of Justice stated in a media interview last July that he believes the act is in need of an overhaul. He stated unequivocally that it reflects the state of the art of the mid–1970s rather than the 1990s. To me this is quite a commentary from the Minister of Justice on this act. He says there is a need to catch up with new technologies and a need for more openness.

We should give the minister the time to do his job and to consider the various suggestions for reform carefully before pushing amendments into the House.

The second reason for opposing this motion is that it suggests that the House thinks the most important reform to this act is to add institutions to be covered by the act rather than improving access to government information that is already subject to the act. More than 132 institutions at the present time are subject to this act. The most recent report of the information commissioner as well as the parliamentary committee report in 1986, "Open and Shut" made numerous recommendations for improving the act.

A motion of the House to extend the application of this act to other institutions I think would detract from these other proposals. It could be argued that the main purpose of the Access to Information Act is to hold the government accountable. An amendment to extend the act to agencies that are independent of government is not likely to address the issue of the accountability of government.

I agree that independent crown agencies need scrutiny and that scrutiny is provided in various ways. I am not saying that making more institutions subject to the act is a bad idea. However, I do not necessarily agree that we should be telling the Minister of Justice that the priority of the House is adding to the list of institutions covered by the act rather than improving access to the 90 per cent of government information already subject to the act.

The third point relates to the motion stating that Parliament and crown agencies should be subject to the act. We know that more than 130 crown agencies are already subject to the act as I have stated. Presumably the motion calls for more crown agencies to be subject to it. It is important to be more definitive and to say which ones should be subject to the act.

• (1820)

When we have something of this importance, with the good intentions of parliamentarians and the good intentions of the people of Canada, we have to be definitive. We have to show people that it works. We can best show people how it works by being definitive and straightforward in what we want to achieve.

The motion states that the Access to Information Act should apply to crown agencies. This seems to suggest that the act should not list precisely which agencies are subject to the act but instead should provide a general definition of what is a crown agency. It is difficult to say if this is the intent of the motion but it is an ambiguity which may make it difficult for the minister to know how to respond to the motion if it passes.

I want to cite just one example of where the general requirement that all crown corporations be subject to the access law may be too broad. I use an example in Ontario. Under the Ontario access law Ontario Hydro, the Ontario Liquor Control Board and the Ontario GO Transit Authority are subject to the act, while TV Ontario is not subject to it. This is because broadcasting, freedom of expression, confidential news sources and independence from government may raise different issues than those affecting other types of crown corporations. A one size fits all approach is not necessarily the best way to go.

There are two advantages to using what I would call a list approach rather than a general definition of crown assets approach. First, the list approach ensures we consider each agency on an institution by institution basis, taking into account any special circumstances that might apply to these institutions. There may be good reasons why one government agency should be subject to the act while another one is not.

A second advantage to this list approach is that there is certainty over which crown agencies are subject to the act and which are not. If we simply create a broad general definition of crown agency some agencies are likely to interpret whatever words are used in that definition to say the definition does not include them.

Undoubtedly this will lead to litigation with all the increased time and cost to request the government definition in question. This will use valuable court time in a system that is already overburdened.

In summary I would want to say that it is important to talk about this issue. This is an important issue. I want to thank the hon. member for Red Deer for bringing it before the House. I support the hon. member's desire for increased openness and accountability in government. I want to say to him that I am confident the Minister of Justice will address this important issue during the life of the government. It is important that we as members of Parliament support him in the act of looking into this question and bringing forward a greater accountability.

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, I am pleased to rise today in support of Motion M–304. The motion is put forward by my Reform colleague from Red Deer. I would like to congratulate him on it.

The motion deals with extending the realm of the present Access to Information Act to include Parliament and crown corporations.

I begin by paraphrasing the purpose of the act. The passage will help to outline the true essence and principles behind the creation of the act and how the present motion before the House will only enhance those principles. "The purpose of this act is to extend the present laws of Canada to provide a right of access to information in records under the control of a government institution in accordance with the principles that government information should be available to the public". This is an explanation of the act's intent to foster accountability within government and its institutions.

• (1825)

The motion before the House embodies the same principles and expresses them in a form in which Canadian people deserve to have access to, namely Parliament and crown corporations. It serves to ensure that the business of government is and remains open to the public. It represents the public's desire for Parliament to be accountable for its actions. It embodies the need Canadians have to know that their government and its institutions are not hiding from them. If government has nothing to hide, and it should have nothing to hide, why not open up Parliament and crown corporations to public scrutiny?

We in the Reform Party have been listening to the outraged cries of our fellow Canadians and understand their desire to hold Parliament accountable for its actions. This understanding was shown through our efforts to pass Bill C–210, the bill on recall. It was recently voted down by both the Liberal and Bloc parties. We are trying again.

The motion will allow the public access to financial matters handled by the Speakers of the House and the Senate. However the motion will not sacrifice the confidentiality of MPs' files or cabinet documents. It will, though, for such crown agencies as the CBC and Canada Post, open up their files to public scrutiny.

In this day of incredible national debt and financial strain on the taxpayer, such a motion grants true meaning to open government, something we have been hearing a lot about. After all, do Canadians not have a right to know where their money is being spent?

The Liberal government states on page 91 of its red book which we hear so often quoted in the House: "If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored". The motion will help to ensure that both Parliament and crown corporations are accountable to the public and hence will be viewed as capturing the honesty and integrity it once had.

On page 91 the Liberal book goes on to state: "The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable".

The motion stresses the need Canadians have for a more open process of government. They are tired of being told what to do by the government while not having a government that invokes a sense of trust or integrity among the people it governs.

We hear all too often about more open and honest government, about integrity, about credibility. We hear the talk but we do not see the Liberals walking the walk. That is what this motion is all about. We hear speakers on the other side telling us that they support the motion in principle but that it is too broad in scope and that perhaps there is going to be some Pandora's box opened as a result of the motion passing.

I suggest that what we ought to be doing is making the access to information law as broad as possible with limitations set in areas where appropriate rather than the other way around. What we are hearing from members opposite is exactly that. They want to limit. They are so concerned about having information out there in the general public they want to make sure they have as many limitations as possible in place. That is counter to the whole theme of access to information.

An example of closed, elitist and top down government is the land claim negotiations currently going on in my riding of Skeena. These negotiations are the epitome of backroom, closed to the public input, government deals. These negotiations between the federal and provincial governments and native groups in my province are completely performed behind closed doors without any direct public input whatsoever.

Is this not the kind of process the Liberal government condemns in its red book on page 91? It states: "The people are irritated with governments that do not consult them or that disregard their views or that try to conduct key parts of the public business behind closed doors".

I suggest that is what the government is doing and it can change by supporting Motion M–304. I would call settling a major land claim affecting a large piece of land and a great number of people public business. It is definitely irritating my constituents.

• (1830)

Bring back integrity and trust to this Parliament and its agencies. Allow Canadians to feel proud as they once did of their parliamentary institution. Give Parliament back to the people. Allow them the access they deserve and put confidence in government back in the minds and hearts of Canadians.

In conclusion, this motion M–304 will help Canadians to trust Parliament and its agencies once again. It is essential for the political stability of this country that Canadians trust their elected officials and feel a sense of integrity when proudly telling others in the world that they are Canadians.

There is nothing to fear in this motion. It is straightforward common sense. Let Canadians have the right to an open Parliament and the right to hold their politicians accountable.

**The Acting Speaker (Mr. Kilger):** The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

# ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

## VIA RAIL

**Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.):** Mr. Speaker, on October 13 VIA Rail announced that it was cutting a further 478 jobs, half of them in Montreal, and that it would be doing this without any cut in service to the public.

On October 18 I asked the Minister of Transport how VIA Rail could cut 478 jobs without reducing service to the public and why VIA was still pursuing a downsizing policy introduced by the Conservative government in 1993.

In answer to my question, the Minister of Transport said that the cuts were necessary because there had to be a cut in the subsidies to VIA Rail. He said it could not continue with the subsidies at the same level. He went on to say again that there would be no cut in service. By that he meant there would be no cut in trains or no cut in VIA Rail routes.

I guess it all comes down to what you mean by service to the public. Some of these cuts involve cuts in the maintenance staff for VIA Rail. Some of them involve cuts in the sales staff for VIA Rail. Let me state some things that have happened to me on VIA Rail trains. If there is no proper maintenance and the train is breaking down halfway through the trip, as it has done on several occasions, and arrival at your destination is delayed by half an hour or an hour and if the heating system breaks down in the winter and you freeze in the coach, that all has to do with service to the public.

It is also service to the public when you try to get a sales representative on the phone and all you get is a run–around with push one, push two and push three. It is very difficult to get the type of service you need to buy a ticket for VIA Rail.

In fact, these are cuts in service that will affect the public. Sooner or later because of the poor service in sales promotion or the purchase of tickets or in maintenance, people will stop using the train. When they stop using the train because of the poor service in these aspects, then VIA Rail will say: "Nobody is using the route to London or to Quebec City or Sherbrooke. Let's close it down". Of course the reason people are not using it starts at the beginning with the cuts that were made in maintenance, sales, public relations, research and so on.

I maintain that these cuts will lead to a cut in service. I see these cuts by VIA Rail as a lack of long range commitment to passenger rail service in this country.



In Canada we have always had subsidies for our transportation system. We have it for buses, trucks and airlines. The airlines are being subsidized indirectly by the airports, the air traffic control. The highways are subsdized by the fact that they are built for the public by the provinces and the buses and trucks are using them to a great extent. All this is happening in this country while in Europe they are building high speed, very efficient trains. The chunnel train service from Paris to London began just the other day. You can go from Paris to London I think in about three to four hours. It is very efficient and very fast. Here we are in Canada ripping up the rails.

• (1835)

It is very difficult to understand why in our country, when we had a great railway system and a great seaway system, we are letting these things go down the drain. When one drives down Highway 401 to Toronto there are so many trucks and buses on the road one takes his or her life in danger. A lot of that freight traffic should be on trains and on shipping. I just do not understand what VIA is doing or what the government is doing.

Furthermore, the minister says he is reducing the subsidies by $100 million a year in accordance with the 1993 budget. The 1993 budget was a Conservative Tory budget. We are a new Liberal government. Why are we continuing to allow VIA Rail to operate on a budget that was introduced by a Tory government that we helped to defeat last September?

Once again I will put my question to the government. Where is the commitment to good passenger service in this country? Why was the money saved by these cuts not redirected into better rail service? What assurance do we have that these cuts will not lead to a further deterioration in service and to more cuts in routes for our trains in this country?

**Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I am pleased to address the question raised by my colleague, the hon. member for Notre–Dame–de–Grâce, regarding the impact of service resulting from VIA's recently announced job cuts.

As he mentioned, these job cuts are part of VIA's strategy to improve its operating efficiency and bring the costs of its operations in line with its reduced funding levels. In itself, this objective is no different from that of any other crown corporation or company in the private sector.

The challenge that VIA faces is it has to reduce its operating costs by $100 million by the end of 1996–97 while maintaining as much of the existing rail passenger services network as possible. This is no ordinary feat. To meet that challenge VIA management must rethink the way it does business. All work practices that have been the mainstay of past railway operations

have to be re–evaluated and streamlined throughout the organization.

The job cuts announced on October 13 affected people at all levels of the corporation from senior management positions to the workshop level. The minister mentioned that in his answer on the day of the question. This provides an indication that VIA management is serious about taking the necessary steps to assure its long term viability.

The review on the future of VIA services is not yet completed. It is part of the recognition by the government that we must address our national deficit, the size of which makes it a problem for all Canadians and not just an item on the previous government's agenda. For its part, VIA management has demonstrated that it is ready to meet its current challenge.

With the co–operation of its employees, its chances of succeeding are significantly improved as, hopefully, will service to the travelling public.

## GRAIN TRANSPORTATION

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, I am rising tonight as frustrated as I am angry.

As you know, Mr. Speaker, because I am a New Democrat I do not have the opportunities to ask questions of ministers in this Chamber as often as I would like. I consider it an honour and a privilege when I am called upon to raise matters with ministers of the crown on behalf of my constituents and Canadians everywhere who share my views.

However, when a minister refuses to respond with a correct answer when he has it at his fingertips, he is not only wasting my valuable time, he is also wasting the time of the Chair and he is insulting the Canadian people.

On Tuesday, November 15, I asked the Minister of Agriculture to clarify his position with respect to grain transportation financing in Canada. There were conflicting reports from government printed in the media. Because the issue of the Crow benefit is of incredible importance to the farmers and the communities that they support in northwest Saskatchewan as well as across the prairies, I thought it was appropriate to clear the air and let farmers who are now just starting to plan next year's crop know where they stand going into that crop year.

Those conflicting reports were numerous. During the month of October when he was touring Asia, the Minister for International Trade said he wanted Canada to eliminate all farm export subsidies including the Crow benefit and indeed prohibit any new ones.

At the same time, the federal Minister of Transport said he was looking for ways to reduce spending within his department and the Crow benefit appeared to be on the block. Late last week the minister's deputy minister, Mr. Nick Mulder, told the semi–annual meeting of the Canadian Grains Council that it is time to update Canada's railway policy, including the grain subsidies. In fact he said that if Transport Canada had its way a new transportation policy would include a significant change in the Crow benefit method of payment. To quote Mr. Mulder, he said:

> The view is that we ought to make a method of payment change sooner rather than later; we have to move in another direction.

• (1840)

During the recent political convention of the Saskatchewan Liberal Party in Saskatoon, the delegates voted on a transportation motion and decided it was time to pay the farmer rather than the railway. Therefore I thought, since the minister of agriculture had been saying that as far as he was concerned the issue was one to be resolved in consultation with farm groups, that it was time the minister came forward with his own thoughts on the matter.

On Tuesday afternoon of this week I asked the minister if he was the defender of the Crow benefit and if it was the federal government's intention to keep grain moving by rail by ensuring that the Crow benefit remained in place. The minister did not surprise me by saying once again:

> Over the course of the next couple of months the Minister of Transport and I will be canvassing all the major farm organizations in the country so that we might present recommendations to our current cabinet colleagues early in the new year.

The minister did not answer my question but at least he was consistent in his answer. Mr. Speaker, you can understand my surprise and my anger when I picked up the newspaper on Wednesday morning to read that on Tuesday night, barely five hours after the minister of agriculture had answered my question, he met with prairie ministers of agriculture and told them that the Crow benefit was on its deathbed. The federal government will betray the commitment to thousands of prairie farmers and introduce legislation early in the new year to end payments to the railways in favour of payments made directly to producers.

A great number of farmers in northwest Saskatchewan and I continue to support the Crow benefit. We want the federal government to maintain the current method of payment. It would appear the minister, the cabinet and the Liberals across the way are not prepared to listen or even understand our concerns. We are also appalled that when he had a chance to put his position on the table in the House of Commons where it belonged, the minister of agriculture chose to conceal that information until he was in a private meeting later that day.

An issue of this importance deserves the attention of the House. Our time in question period is too valuable to be ignored, and it appears that is exactly what this minister of agriculture did on Tuesday.

**Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I am pleased to answer the question on the Crow benefit raised by my hon. colleague, the member for The Battlefords—Meadow Lake.

It is not as simple as he makes it sound. The Minister of Transport and the Minister of Agriculture and Agri–Food together are currently in the process of meeting with shareholders in the grains and oilseeds industry regarding changes to the Western Grain Transportation Act, which I will call WGTA for short.

Under the new GATT regulations the WGTA on shipments through the west coast and Churchill fall within the definition of an export subsidy. These subsidies must be reduced, as he knows, under the terms of the new GATT. This means that we have choices. We can change the WGTA so that it is no longer an expert subsidy, or we can pay the railways but only within the new GATT rules.

The second option would lead to an immediate and severe restriction on the volume of grain shipped through the west coast and Churchill that would be eligible for subsidies. In other words as volume limits for products were reached, shippers would suddenly be saddled with the full WGTA rates on shipments.

Given this context there are now two proposals which have been put forward as alternatives to paying the railways. The first, presented by the producer payment panel last June, recommends payments to producers based on cultivated acres and then gradually phasing into payments based on arable acres. It also recommends some of the WGTA be put into safety nets and research.

However the second proposal put forward by the Government of Alberta and endorsed by the present Saskatchewan government recommended provincial variations in the program within a set a principles. It also recommended against putting WGTA money into safety nets.

After their current discussion with all interested parties about these two options, and perhaps other suggestions may come up, the Minister of Agriculture and Agri–Food and the Minister of Transport will make a comprehensive set of recommendations to cabinet about the overall reform to the Canadian grain handling and transportation system.

These recommendations must be fiscally responsible and consistent with our international trading obligation, as the hon. member knows. They must also reflect the concern of all those in the grains and oilseeds industry. In finalizing the government's position with respect to the WGTA we must ensure that Canadian agriculture and Canadian farmers are positioned to take on the world and to win.

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 38 the motion to adjourn the House is now deemed to have been adopted.

[*Translation*]

Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.46 p.m.)

# HOUSE OF COMMONS

**Friday, November 18, 1994**

The House met at 10 a.m.

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*Prayers*

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[*English*]

## PRIVILEGE

SPECIAL JOINT COMMITTEE REVIEWING CANADA'S FOREIGN POLICY—SPEAKER'S RULING

**The Speaker:** My colleagues, I am now ready to rule on the question of privilege raised by the hon. member for Red Deer on November 15, 1994 concerning media disclosure of portions of the content of the report of the Special Joint Committee Reviewing Canada's Foreign Policy prior to the report's presentation to the House.

I would like to thank the hon. member for bringing this matter to the attention of the House and the hon. member for Kingston and the Islands for his intervention.

[*Translation*]

I wish to state at the outset that I view such matters very seriously, and I expect all members to do the same. The work of committees is very important and can only be successful if members can function knowing that their deliberations in the preparation of their reports can be kept confidential until presented in the House. All those involved in committee activity must know that they, along with the members of the committee, bear the responsibility to ensure that such committee matters are kept confidential.

[*English*]

If our parliamentary system is to work efficiently and effectively committee members must be able to function without the fear that the fruits of their investigations will be disseminated to the public before they have been finalized and before the House has had an opportunity to see the product of their labours. This is why committee reports are confidential until tabled and why to break this confidentiality is a breach of privilege. This is not a new problem and as the hon. member for Red Deer noted I have commented on it in this session.

The hon. member quite rightly pointed out referring to citation 877(1) of Beauchesne's sixth edition that the premature disclosure of a committee report constitutes a breach of privilege.

This unauthorized release of committee information is indeed a contempt of Parliament. I must therefore commend the hon. member for having respected our traditions by refraining from commenting on the report before it was presented to the House. However now that the report has been tabled the member will have opportunities both inside and outside the House to explain his party's views on the contents of the report and to correct any misconceptions which may have been formed by the member's silence.

• (1005)

[*Translation*]

The member has also cited section (2) of Beauchesne citation 877 which notes that for a question of privilege to be *prima facie* in these circumstances, it must be more specific that a blanket accusation against the publication of a confidential document by the press. This citation is based on an extensive ruling given by Speaker Jerome on June 23, 1977 at pages 1203 to 1210 of the *Journals*.

I appreciate the hon. member's attempt to tie his argument to this portion of the citation. However, in carefully reading Speaker Jerome's ruling, it is clear that the point he was trying to make, and this is important for us today, was that it is necessary to look at our conduct in this matter. This, I feel, can only be done if specific allegations are raised about the conduct of a specific individual or group of individuals, as the Speaker ruled in 1977. Indeed, when similar matters have come before the House in recent years, most notably in 1987 and 1988, the practice has been to pursue the issue only when a specific individual can be cited.

[*English*]

In 1987 it was alleged that a member revealed information about in camera committee proceedings. The committee in question reviewed the matter and upon its reporting to the House the Speaker found the incident to be a prima facie question of privilege. The matter was referred to the then Standing Committee on Elections, Privileges and Procedure for examination.

The 1988 case involved the leaking of information to the media concerning a draft report of the Standing Committee on Finance. An unnamed employee of the member was found to have released the information but the issue was resolved by members of the committee who brought the matter to the attention of the House by way of a question of privilege. At that

time Speaker Fraser ruled that the issue had been dealt with by the committee and there was therefore not a prima facie question of privilege.

This said, as the hon. member for Red Deer has not made allegations against any particular individual I must state that at this time I am unable to accept this matter as a prima facie question of privilege. We are nonetheless faced with a very serious matter, for leaks of committee reports are not to be treated lightly.

As all members are aware the Speaker is loath to intervene in committee matters. Difficulties arising in committee are traditionally brought to the attention of the House by way of a report from the committee. In circumstances similar to those currently before us a standing committee might decide to examine the matter of a breach of confidentiality and make a report to the House.

The matter before us however is quite different for here we are dealing with a special joint committee which has tabled its final report. It has traditionally been interpreted that once a special committee tables its final report the committee ceases to exist.

As I stated earlier, while I do not find that there is a prima facie question of privilege, the seriousness of a leak of confidential committee information should not go unchallenged. Should the House consent to have the question of premature disclosure of the committee report examined, there is nothing to prevent the House from doing so by way of a special order of reference to a committee.

[*Translation*]

The matter of confidentiality is one of great importance to the House and I remind all members of their responsibility to ensure that confidential proceedings and reports of committees remain so.

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## GOVERNMENT ORDERS

• (1010)

[*English*]

### SOCIAL SECURITY PROGRAM

The House resumed from November 17 consideration of the motion.

**Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I am very glad to be speaking on social security review and particularly on the unemployment program.

Before I do that I would like to say that the social security review is very timely for Canadians. It is very important for government and for all members of Parliament to look at it. Too often governments bring in programs or legislation which become obsolete and do not reflect the realities as some of our social security programs do, but do not get examined with the promptness they should.

I am glad we are looking at the whole social security program for a variety of reasons. One is that some programs were brought in some 40 years ago. The economic realities have changed. The family structure has changed. The social circumstances have changed and our fiscal situation has changed. The global economy in terms of the types of jobs out there has changed. The demands on our business communities have changed. All of those changes result in the type of social security program we need that will take us into the next century and which will take into consideration the new realities we face.

The social security review is very timely. It is important that Canadians are participating in ensuring the type of programs we come up with will be sustainable, affordable and effective. With the input of Canadians and other members of Parliament we will be able to put together that type of program.

For now I am pleased to have the opportunity to explain the government's idea for renewal of our unemployment insurance program presented in the recent supplementary paper on UI. I am sure hon. members appreciate it is a key component in the reform of our social security system. The UI program has served us well, but because of the structural changes to the economy there are now numerous situations in which the program no longer does what it was originally intended to do.

The UI program was created to provide workers with temporary income support between jobs, but the program no longer adequately addresses the changing nature of employment. Today many workers use it to supplement their income. That was not and is not its purpose. Workers and employers finance UI through their contributions.

It is simply costing too much. For example in 1980 the program cost $4.4 billion. Last year it cost $19.7 billion. We cannot allow this escalation in UI costs to continue. The government is proposing that we spend more wisely. Often some people think that sometimes the more money thrown at a program, the better the program gets. We realize that what we have to do is spend more smartly and wisely. Our emphasis is to shift UI funds from income support to investing in helping people obtain jobs and become self–reliant.

Some hon. members will ask about the seasonal workers. Seasonal workers make up about 40 per cent of UI clients and as much as 60 per cent of frequent claimants. Government recognizes it must address their specific circumstances and we are doing that.

The Minister of Human Resources Development has established a working group on seasonal workers and UI. It is consulting with other stakeholders to come up with innovative ways to address the needs of seasonal industries. That includes reducing their frequent dependency on the UI program.

• (1015)

We know people need experience in the workplace. Therefore, to help people gain the experience and training required to keep a job, the government is testing new approaches such as community projects that offer work experience or earning supplements or assistance to entrepreneurs who wish to start their own businesses. The reason for that is quite straightforward. The government's top priority is to ensure a climate for continuing job creation.

In the past year there have been 275,000 new jobs created. We want to keep the momentum going. One way of doing that will be through the reduced premium rates that will result from UI reform.

As hon. members know, in 1995 we have already announced a premium reduction from 3.07 to 3.00. Estimates indicate that this reduction will help create or preserve jobs. We are proposing to keep moving in that direction.

Another idea presented in the discussion paper regarding UI eligibility is the possibility of income testing, but this would apply only to people who use UI frequently.

We need to use our limited resources to help those most in need. I wonder if hon. members realize that in 1991, 18 per cent of frequent claimants had incomes of over $50,000. An additional 28 per cent had family incomes ranging from $30,000 to $50,000. The benefits received by frequent claimants go beyond insurance. They are more like supplementary income. The system can no longer support this misuse of funds.

Some hon. members have expressed understandable concern about the effects of UI reform in Atlantic Canada. Atlantic Canadians are a proud people and we have to take measures to help them generate economic and social renewal. That is not just the government's opinion. Last year an Environics poll indicated that 60 per cent of all Atlantic residents acknowledged that the current UI program acts as a disincentive to finding work. Not only that but the Atlantic premiers stated that easy access to unemployment insurance benefits has created an economic malaise in the region.

The strategy the government is recommending for Atlantic Canada is consistent with our general approach for the rest of the country and that is to invest in people through employment development services. This is the positive approach that will help Atlantic Canadians to get and keep satisfying jobs.

Because of the changing nature of employment that I spoke of earlier, we no longer have any choice but to respond to the growth of non–standard work. I am referring to part timers, the self–employed, temporary workers and people with multiple jobs. Last year more than 60 per cent of all new jobs were part time. Many of those workers were not fully covered or not covered at all. We must address their needs.

We are currently experimenting with initiatives such as earning supplements and consolidation of hours for UI insurability. The government is determined to find effective solutions to help all Canadians move toward long lasting self–sufficiency.

As well, concerns have been expressed that employment development services will be too costly to offer to everyone who might want to use them. However, everything is not going to happen at once. We can meet the needs of some people through less expensive programs. I am thinking of such measures as wage subsidies, earning supplementation and assistance in searching for a job. Training capacity will be expanded gradually and eventually everyone interested will have access to employment development services.

• (1020)

UI reform is not going to happen overnight. First we have to gather input from all Canadians on this process. The Standing Committee on Human Resources Development is currently travelling across Canada listening to the views of a wide variety of Canadians. The committee will be reporting its findings and we will have to evaluate the various ideas to determine what is feasible and what is the best way to structure a new program.

Having done all that, major changes to the UI system would be phased in over a number of years. Everyone affected would have adequate time to adjust. The exact timing might use the three and five rule. That means if changes are implemented in 1995 the new program would not be fully operational until 1998. The timeframe will depend on the complexities of the changes.

The key to successful reform of our unemployment insurance program will be to strike an appropriate balance between UIC's role as a temporary income support and its broader social role, to redistribute income and address narrowing regional disparities.

The government will take an approach that is mindful of just how significant UI is in many provinces and in the lives of many people. We will not pull support from under anyone and leave him or her high and dry. But we will devise and implement a more flexible system, one that encourages adjustment and generates a climate for job creation and growth, a system that helps people to help themselves become self–supporting and contributing members of Canadian society.

I invite all hon. colleagues to join the government in this crucial undertaking.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I listened with interest to the comments of the hon. member about the future of the UI system and the review of social policy. I thank him for his comments.

I have a couple of questions for him. He mentioned near the end of his presentation that the role of UI is to redistribute wealth and be a tool of regional development. Could he clarify if that should be the role of UI or whether it should really be an insurance type program for the temporary loss of employment? I personally do not see it as a tool to redistribute wealth, nor is it a particularly effective tool for regional development.

I would bring to his attention the figures which came out last week. They pointed out that the dollars contributed to the UI program and the ones paid out of the program in British Columbia are almost a one to one ratio. In Alberta they get short changed considerably. I think they get 76 cents paid back for every dollar they contribute. In the Atlantic provinces it is as high as five to one. Right now UI is being used as a tool to redistribute wealth. I wonder if the member wants that to continue? Does he think that is a valid role?

Could he also tell me if he thinks the qualification period for UI should be standardized across the country? Should it be the same in the member's riding as it in Chicoutimi or Gander? Should there be a standardized qualification period?

If he could answer those few questions for me for clarification, I would appreciate it.

**Mr. Dhaliwal:** Mr. Speaker, I want to thank the member for Fraser Valley East for taking an interest in this. I have often visited his riding, which has many farming communities, and I know many people in his riding. I know his area has a particular interest in this review, because there are many seasonal workers in his riding.

• (1025)

Let me try to address his two questions, first of all in terms of the broader goals of redistribution involved.

We want standards right across the nation. We do not want tremendous poverty in one province and tremendous wealth in another province. We want to be able to deal with the regional disparity. We want to make sure that where help is needed to create employment, to develop better employment programs, that we respond as a nation, that we respond to areas that are having greater economic difficulty than those with economic prosperity.

That is what makes this country so great, that we want to deal with those issues. We want to deal with the regional disparities that exist across the country. We do not want to say that if a certain part of the country has a much lower standard of living than other parts that we do not really care. That is not what this is all about. As a country we must care for Canadians no matter where they live and ensure that we have basic standards right across the country, including employment opportunities.

In terms of the requirements for stamps to collect UIC, this must be looked at once again. Different areas of the country have different needs and those regional needs reflect the UI reform program. Just as in the hon. member's riding there are different needs, we have to look at the needs of seasonal workers and respond to them as well. One of the ways we can respond, as stated in our discussion paper, is to have a two tier program, a basic insurance program and an adjustment insurance program. Those people who use UI more frequently perhaps should be treated differently in terms of the premiums or of the benefits they receive, as opposed to those who have the basic insurance program.

I hope that deals somewhat with the questions of the hon. member.

**Mr. Stan Keyes (Hamilton West, Lib.):** Mr. Speaker, I want to congratulate the member for Vancouver South for his informative remarks.

I also want to take this moment to thank the member for York North who in his capacity as the Parliamentary Secretary to the Minister for Human Resources Development is criss–crossing this great country visiting in ridings at the invitation of members of Parliament and listening to the people, hearing from groups and organizations on the subject of this important social security review.

When in Hamilton just a couple of weeks ago to hear from Hamiltonians on this social security review, the member for York North and I heard from a dozen organizations, groups and individuals at the beautiful Hamilton Art Gallery. We repeatedly asked the question at the end of their representations: Is the status quo acceptable? In each and every case the answer we got back was no, it was not, no matter what organization, no matter what individual spoke.

There does need to be change. Our current programs, while necessary, are not effective. They are outdated and simply not working, not doing the job they were intended to do.

I want to ask the member for Vancouver South if this has been his experience when he has heard from the people, groups and organizations in his riding and across the country?

**Mr. Dhaliwal:** I want to thank the hon. member for his question. Canadians I have talked to across the country recognize the need for change. They recognize there has to be a change made in the social security programs because they see that 450,000 parents are on single parent social assistance, and 90 per cent of them are women. That is a problem we have to deal with.

What does that say for the children? We have to deal with the situation. One child of every five children grows up in poverty. That is a problem we have to deal with. Mahatma Gandhi once said that poverty is the worst type of violence against an individual.

We have to deal with those issues under the social security programs. We know they are not working well because some of these problems would not exist if they were working. Our expenses on social assistance have continued to go up.

• (1030)

We have to look at why. We cannot just spend money. We have to get at the root of the problem and ensure that people have the training and the skills. We must take away the disincentives that stop them from getting gainful employment, that stop them from getting into the workforce. For example, we need more day care facilities so that we give people a path, a way to get out of the cycle of dependency, making them independent and self–reliant.

That is what social security reform is all about. It is giving those people an opportunity to be gainfully employed. We must tear down the barriers that stop them from seeking gainful employment and take away the disincentives so that they do have an opportunity. They want to work. They are not interested in staying on social assistance. The system does not let them come back.

Those are the things that Canadians are looking for. Canadians are telling us yes, we need to change the system and we need to look at the way we do things because there is a better way. That is what we are searching for.

I thank the hon. member for a very good question.

[*Translation*]

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, I will share my time with a colleague from the Bloc Quebecois; after that, all the speakers for the Bloc will do the same.

For several days now, I have been hearing the arguments put forward by the proponents of the social security reform presented by the Minister of Human Resources Development. We are told that, in Canada, we need to reform social security. It is obvious that no matter what the field, the status quo is usually not acceptable. Society changes, ideas evolve. We must always look at the results of a given situation and see if it can be improved.

You can be sure that a Bloc Quebecois member who, with a sovereignist agenda, is proposing a radical reform of the geopolitical situation in Canada, is not going to oppose change. Obviously not.

Therefore, by definition, Bloc members do not object to a review or a reform of Canadian social programs. However, what we particularly question is the underlying ideology as well as the motives for the reform.

A reform aimed at improving the system? Perfect! We could not agree more. But a reform to impose a new way of life, a reform aimed at cutting government expenditures in a roundabout way at the expense of the poorest members of society, we say no to that.

Let us look at the ideological nature of the reform presented to us. As you know, for the past 10 to 15 years, in the Western World, we have witnessed the revival of the old neo–liberalism, that is to say, the rule of the market, the law of the jungle, so to speak. We were told that individuals must take care of themselves and be responsible for themselves. If they get rich, it is to their credit; if they are poor, well, it is their own fault. This ideology was dominant during the 19th century.

Throughout the 20th century, people who pondered the fate of the poorest members of society as well as workers who organized, took issue over this type of society. They fought to obtain rights. These rights were hard won, they were not vested rights. People fought for better wages and living conditions, and for adequate social security against illness, accidents, old age and unemployment.

In my view, the bill before us today calls into question these hard won social rights, the social model that has existed in Western Europe and Canada for fifty years now.

• (1035)

The first attack on the social framework created in recent decades took place in Britain fifteen years ago. That country dismantled its social security system.

Those in favour of the move told us that the British economy would only benefit. Fifteen years later, this is not immediately apparent. What we see is more poverty and people with less social security. What we do not see are newspaper articles telling us that economists, businessmen and politicians from around the world are flocking to Britain to study the extraordinary success of the British model.

Fifteen years later, there is some doubt about the results. What is certain, however, is that the very people who needed social security are less well off than they were fifteen years ago.

What I personally see behind this reform is the trend in Western society, driven by the new neo–liberal ideology, to question social security systems. When I look at the documents published in support of the reform, I see detailed analyses, statistical and economic arguments, and a highly developed theoretical framework. This is not the kind of thing that can be done within six, four or two months. I suggest that this is the

kind of reform Ms. Campbell would have proposed if she had won the last election. The same philosophy underpins the whole reform effort.

Another reason why I do not find the government's intentions very credible, although some members seem sincere in defending the system, is that this reform is based on the premise that government expenditures must be cut.

We are told that Canada's debt is enormous. Everyone agrees, but when we look at the debt, we must think in terms of assets and liabilities. On the liabilities side, we are told that our debt is getting larger every second, every minute, every day. True, but what about our national wealth? We are told that the debt now amounts to 100 per cent of GDP. According to some economists, our national wealth adds up to 900 per cent of GDP. This means that Canada's economy as a whole is comprised of both debts and assets. We have different kinds of debts.

Our debt includes not only the Prime Minister's limo and cook but also infrastructure, educational, health and investment expenditures. Any businessman will tell you that a loan taken out for investment purposes generates wealth down the line; it is not the same as money borrowed to pay for groceries.

Those who invoke the national debt to justify all the cutbacks, to justify all kinds of measures that will ultimately hurt the less fortunate in our society, should at some point be honest enough to show us the whole picture.

If they had told us that they would undertake a reform and if, after consultations with Parliament and with Canadians, they realized that the same amount should be spent on social security in Canada, I think that it would have been easier for me to agree that something must be done, that we would have been more willing to review the situation in Canada. But that is not what happened.

• (1040)

The Minister of Finance told us that $7, $8 or $9 billion had to be cut from all social programs. I have started consulting Canadians in my riding. I sent the paper on the reform to 200 people who are interested in social issues and I scheduled meetings where we can discuss exactly what is going on with this reform. If you tell people at the beginning, "We are consulting you but you should know at the start that we must make deep cuts in social security spending", people will then ask if they are really being consulted and whether the decision has not already been made.

To conclude, I will say something about unemployment insurance. I read the document on unemployment insurance which says that we should move from unemployment insurance to employment insurance. But I have the feeling that a qualitative analysis of the system was done. I do not have much time, but I will try to talk about my two concerns at the end of my speech. The first thing is that I feel we accept the high unemployment rate. The unemployed and unemployment are seen as a problem, but we do not realize that the problem is not unemployment and the unemployed; it is employment.

I wish that the documents which the Liberal government presented to us showed this concern for employment in Canada. I would like to see commissions of inquiry travelling around to talk about jobs with Canadians and not just about cuts, difficulties and debts. We must take a positive attitude to this whole question of social security and realize that if people work, they pay taxes, and the country can distribute this tax revenue throughout society, especially to the most disadvantaged people.

**Mr. Chuck Strahl (Fraser Valley East, Ref.):** Mr. Speaker, I want to thank the hon. member for his speech.

[*English*]

That is as much as I will try this morning. I'm working on it and it will come along, I'm sure.

I would like to comment on two or three points that the member raised. I have not heard in the House for some time if ever phrases such as the neo–conservative outlook and so on. I thought a lot of those comments had gone with the demise of the NDP. I had hoped that a lot of those phrases had gone into the past.

There are two or three things I would like him to comment on. One is that we should not worry so much about the debt, that the debt and deficit are not a serious concern. He feels it is like a businessman who is investing in the future. I would point out to him first of all that no businessman is afraid of borrowing but a businessman is frequently afraid of borrowing year after year because of the inevitability of what that means. It means he will go broke.

I would ask the hon. member to comment on how long he thinks it is good to borrow, if he thinks we should continue to go in debt indefinitely or whether there should be an end in sight.

Second, as an example of what will happen if we do not control this debt and deficit, I ask him to look at today's *Globe and Mail*. There is an article about the fact that Ontario is now being forced to search out niche markets to sell its bonds. This year it has gone to a 40–year bond option because no one will buy the 30–year bond. It is looking for tiny markets, tiny being $800 million this year, niche markets where it can sell more bonds. It is having trouble selling its bonds which means it is having trouble financing its debt.

Every year that goes by that we continually go in debt makes it difficult to the point at which our wealthiest or at least our biggest province is now having to search out niche markets to sell bonds. I find that incredible.

I would like the hon. member to comment on how long he thinks a country, province, or any organization should continue to go in debt and why he thinks that Canada, Quebec or any region is immune from market forces, in other words the forces which say it is going to be increasingly hard to finance that debt.

• (1045)

[*Translation*]

**Mr. Caron:** Mr. Speaker, I thank the hon. member for his comments and his question. Obviously, everyone is affected by market forces. However, when you are in debt, you usually try to figure out why. The last thing you cut is the money required for children and needy members of the family.

Instead, you start by not going out as much and by cutting into the least useful expenditures. I do not think that the federal government has done that. When we first came to the House of Commons we asked for a review of all public spending, but this was not done. We were told that the standing committees could conduct such an exercise. A year later, it has become obvious that these committees will not do that.

The federal government must first tighten its belt, before telling Canadians to do so. If the Prime Minister starts taking a taxi or a bus to get to work, then I might say that efforts are being made at every level of the government administration to reduce spending. However, as long as the Prime Minister has a cook costing taxpayers $50,000 a year, as well as a limousine, bodyguards, a residence and a very nice office, the federal government should take a close look at the situation before trying to make cuts and deprive Canadians of the basics.

If the government does conduct a review of its spending, then it will have the necessary credibility to make cuts and suggest new ways of doing things. Until then, the government and those who propose reforms have very little credibility.

[*English*]

**The Acting Speaker (Mr. Kilger):** I see the member for Nepean rising. Just as a matter of explanation, Bloc members have indicated that they were splitting their time so there will be two speakers from the official opposition.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ):** Mr. Speaker, upon opening the Green Paper, entitled *Improving Social Security in Canada*, I read the following, and I quote: "Canada's social security programs are envied throughout the world. They have helped make life better for generations of Canadians. But they have not kept pace with a changing world, and now many Canadians are falling through the cracks. Too many people find themselves having to use Unemployment Insurance time and time again. And they stay unemployed too long. Too many people are stuck on social assistance. Too many of our children live in poverty".

The Green Paper goes on to say that last year, 13 per cent of all unemployed Canadians had been out of work for a year or more. Furthermore, and I quote: "Our employment programs do not do enough to help the unemployed adjust to change and find new jobs. One in five Canadian children is growing up poor". The Green Paper is full of such statements that point to the failure of federal social security programs.

When the federal government tabled its reform package, which was supposed to be a Liberal masterpiece, one would have expected, first of all, that it would take a responsible approach by identifying real problems that create poverty, so as to provide the appropriate solutions. Second, that the federal government would protect the most vulnerable members of our society and concentrate on job creation. Third, that the federal Liberals would take advantage of this opportunity to demonstrate that federalism works, by reacting favourably and positively to the broad consensus in Quebec on manpower training.

Unfortunately, they did not. As usual, the Liberal federal government introduced a centralist Green Paper that blithely encroaches on areas of provincial jurisdiction and, on top of that, aims to reduce the deficit at the expense of the most vulnerable in our society. Since my time is limited, I will touch briefly on three aspects of particular concern to me: unemployment insurance, post–secondary education and child tax benefits.

The Green Paper on social security reform admits that job programs have failed to deliver. These programs are often poorly adapted and easily abused, according to the Green Paper.

• (1050)

The federal government is therefore proposing various options for unemployment insurance reform. A proposal to reduce the amount of unemployment insurance benefits for low–income individuals would, according to the Quebec Minister responsible for Income Security, put an additional 40,000 Quebec households on welfare.

The federal government's proposal to raise the number of weeks required to establish eligibility for the Unemployment Insurance Program from 12 to 14 would cost the Quebec Treasury close to $28 million and cause an additional 3,275 households to join the ranks of those already dependent on Quebec's income security program.

A second proposal concerning unemployment insurance would create two classes of unemployed: frequent claimants and occasional claimants. Frequent claimants are people who claim unemployment insurance benefits three times within five years. The minister's Green Paper even considers them on a par with people who abuse the system.

This is what the document says, and I quote: "The program is easily abused. Some workers and employers plan their work schedules around the UI program—alternating employment with UI benefits as a way of life. As a result, workers and employers in some industries subsidize those in other industries who use UI regularly".

Some new terms have been added, such as adjustment insurance, which is intended for frequent UI claimants. It states that while these benefits might be lower than basic coverage, more support would be provided to recipients to find work.

What a novel idea, Mr. Speaker! The Quebec minister responsible for income security described this measure as despicable. To reduce benefits paid to workers, using as an excuse the fact that, in return, they will be trained for jobs that do not exist anyway, that is beyond all understanding. We all know that, in regions where the economy depends on seasonal activity, we do not need training programs that lead to non–employment, but a radical restructuring of the economy.

What makes these proposals even less acceptable is the very fact that the very job development program, or JDP, put in place by the federal government has undergone major cuts over the past two years. In Rimouski for example, the JDP budget was reduced by 30 per cent in two years, from $1,275,000 to $790,000, in spite of the fact that the rate of unemployment remained high and relatively the same in the Lower St. Lawrence region.

In sum, the federal government is penalizing seasonal workers and has once again failed to seize a golden opportunity to demonstrate that federalism could be profitable.

For the sake of the 800,000 Quebecers who are out of work, with respect to unemployment and manpower, the government could have acted on the motion that was carried unanimously at the Quebec National Assembly on April 14, requesting that Mr. Jean Chrétien and the federal Liberal government respect the unanimous consensus on the need for Quebec to have exclusive jurisdiction over manpower training.

It would be too easy to make Canada work. In its Machiavellian plan, the government decided instead to lead the people to believe that the big bad separatists are to blame for all our problems. It does not show, but the government is actually increasing overlap and duplication, which is unacceptable in times of fiscal restraint, especially as the major part of the proposed reform represents federal encroachment on a provincial jurisdiction. Unemployment benefits are being cut while the public service grows and the number of disputes between the two levels of government increases.

There are approximately 150 manpower training programs run by about 10 Quebec and federal government departments. Some of these programs often have several components. So how can we expect unemployed people from Montreal, Rimouski or Hull to sort out this mess?

The government is not doing much better for our post–secondary institutions, since it proposes replacing cash transfer payments with a new student loan program.

• (1055)

This decision by the federal government would leave the Quebec government with a $300–million shortfall, which would have to be made up elsewhere.

The main consequence of this proposal would be a major hike in tuition fees. The rector of McGill University did not hesitate to say that his institution's tuition fees could reach up to $8,000 a year. It goes without saying that this measure would restrict access to higher education, especially among the poor.

As far as child benefits are concerned, the government admitted its failure by reminding us that one child in five, in Canada, lives in poverty. To address this problem, the green paper suggests among other things redirecting middle–class family benefits to less fortunate families. This measure—it must be reiterated—encroaches on an area of provincial jurisdiction. It also thrusts into poverty middle–class families forced to shoulder an excessive part of the deficit burden.

All that the government has put on the table so far to reduce the deficit spares the rich and is designed to impoverish the Canadian middle class and to bring misery to those of us already living in poverty. This, in due time, will be remembered by everyone.

What the Minister of Human Resources Development proposes is not a matter of reform but of shovelling part of the federal deficit into the provinces' back yards.

So I leave the last word to Pierre Graveline, who in *Le Devoir* on October 20 summarized the goals pursued by the Minister of Human Resources Development in his reform of social programs thus: "The Axworthy reform pursues two contradictory objectives at the same time: maintain and strengthen Ottawa's presence everywhere without giving an inch to Quebec, while significantly reducing social spending in order to slow the alarming growth in the federal debt".

Therefore, you will understand that, like my colleagues, I oppose the minister's motion, which reads:

> —take note of the progress made to date on the government's forthcoming reform of social security programs and of the views expressed by Canadians with regard to this reform.

**The Deputy Speaker:** The hon. member for Rimouski—Témiscouata will have five minutes for questions and comments after Question Period.

[*English*]

It being 11 a.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members pursuant to Standing Order 31.

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# STATEMENTS BY MEMBERS

[*English*]

## TRIPARTITE AIR STUDY

**Mr. Stan Keyes (Hamilton West, Lib.):** Mr. Speaker, the Standing Committee on Transport has embarked on a tripartite air study which will focus on the government's new national airports policy, the status of bilateral air negotiations with the United States, and the proposed commercialization of the air navigation system.

The future management and ownership of Canadian airports and their ability to compete depend upon the successful implementation of the national airports policy. Furthermore the successful conclusion of a new, more open bilateral air agreement with the United States and the modernization of the air navigation system are crucial to the future viability and competitiveness of our airport system.

As chairperson of the Standing Committee on Transport, I encourage all my colleagues in the House to inform the individuals and organizations involved in airport operations in various ridings across the country of our public committee hearings on the tripartite air study.

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[*Translation*]

## EASTERN QUEBEC DEVELOPMENT PLAN

**Mr. René Canuel (Matapédia—Matane, BQ):** Mr. Speaker, I denounce the inertia of the present government, which is not keeping its commitments and its election promises. It promised to maintain and extend the Eastern Quebec Development Plan until 1998.

For months, things have been dragging out. This government's lack of leadership is creating an untenable and discouraging situation for the 5,800 forestry workers in eastern Quebec and the Gaspé. They want to work. This government, which clamored "jobs, jobs" during the election campaign, now refuses to give real support to those who want to work.



This government does not give a damn about rural communities and it is taking the forestry workers hostage. When will it give an answer? It should be as soon as possible.

* * *

[*English*]

## LIGHTHOUSES

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, earlier this year the Minister of Transport announced his intention to destaff 35 B.C. lighthouses. A massive protest prompted the minister to announce pubic consultations with mariners in British Columbia prior to any final decision to destaff. However a consultant hired by the government, Mr. Norman Mathews, a former secretary general of the International Association for Lighthouse Authority, has recently made comments in the press in advance of the public meetings that destaffing lighthouses is a done deal.

Given Mr. Mathews' statements the people of British Columbia, and I am sure all people of Canada, want to know why the minister would perpetrate this sham of consultation when his department has already received its marching orders.

This appearance of public consultation is both expensive and cruel. It raises hopes in the hearts of many that manned lighthouses will be maintained and it is costly.

I ask the Prime Minister: Is this the kind of public consultation the Liberals had in mind when drafting their infamous red book?

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## DIABETES AWARENESS MONTH

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, November has been proclaimed Diabetes Awareness Month by the Canadian Diabetes Association.

Over one million Canadians have diabetes, with more than 13 per cent between 65 and 74 years of age. Diabetes is a major cause of premature death, blindness, kidney disease, heart disease, stroke, limb amputation and other significant health problems. It costs Canada an estimated $9 billion annually.

The Canadian Diabetes Association is a supporter of diabetes research in Canada and provides a wide range of services for and advocacy on behalf of persons with diabetes and their families.

I am proud to say that the federal government also plays an important role by supporting diabetes research and among other ventures a special initiative with regard to diabetes among Canada's native peoples.

Please join with me in wishing the Canadian Diabetes Association and its many volunteers a very successful Diabetes Awareness Month.

*S. O. 31*

## ENDANGERED SPECIES

**Mr. John Finlay (Oxford, Lib.):** Mr. Speaker, I thank the Minister of the Environment for the discussion paper on endangered species legislation released yesterday. The legislation will finally give the federal government the power to protect all plant and animal life in Canada.

I also congratulate the Body Shop, the Canadian Nature Federation and the Sierra Defence Fund for their campaign "There Otter be a Law" which is mobilizing public opinion about the matter.

Yesterday I attended a presentation where three children from across Canada spoke out on behalf of all Canadians and presented thousands of letters, drawings and petitions bearing over 75,000 names to the Minister of the Environment. This presentation was an emotional experience for me. We must protect our planet for our children.

I assure the hon. minister that I will do everything possible to support endangered species legislation in the House.

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## JUSTICE

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, as a legislator in the House of Commons and the Parliament of Canada it really grieves me to stand here and express my sadness that Canada's courts and law are making decisions that absolve persons of any criminality who are extremely intoxicated or have snorted high levels of cocaine or who have killed behind the wheel of an automobile.

I grieve for the victims of these crimes, in many cases women. I grieve for those who have died at the hands of an abusing person. These victims did not condone or encourage intoxication or drug inducement.

As a legislator I stand here today and make a promise to those victims, both those living and in memory of those who died. I pledge to them my immediate commitment to work with the Minister of Justice toward reforming the Criminal Code through adding new crimes of intoxication, whether drugs or alcohol, to ensure that the perpetrators and not the victims are the ones convicted in our courts of law.

**Some hon. members:** Hear, hear.

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[*Translation*]

## MOUVEMENT DESJARDINS

**Mr. André Caron (Jonquière, BQ):** Mr. Speaker, yesterday, the chairman of the Mouvement Desjardins, Mr. Claude Béland, urged Quebecers to actively participate in the referendum campaign and support Quebec's sovereignty.

The Mouvement Desjardins is a vast network of co–operatives, financial institutions and insurance companies with assets totalling $75 billion. It has played an active role in the economic and social development of Quebec throughout the 20th century.

Mr. Béland is now inviting Quebecers to get out of the current deadlock. He said: "We merely tried to negotiate the concept of a distinct society and we were rebuffed. The same thing is now happening with the issue of occupational training".

The current deadlock means that Quebecers have to choose between taking control of their own destiny or an unaffordable status quo.

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[*English*]

## NATIONAL CHILD DAY

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, every day innocent and defenceless children become victims. Murder, rape, kidnapping and violent assault are threatening our youngest Canadians.

• (1105)

In my constituency of Okanagan—Similkameen—Merritt eight cases of violent assaults on children are currently pending. In one case a previous sexual offender who repeatedly molested a young child was apparently released on his own recognisance. This slap in the face only adds to the agony suffered by the victim and the family. The abduction and murder of eight–year old Mindy Trann has raised loud cries of outrage throughout the Okanagan. These offensive and disgusting violations must stop.

The Canadian justice system must take steps to ensure the safety of our children. Offenders convicted of crimes against a child should serve their sentences without parole. Previously convicted offenders charged with a crime against a child should be kept in jail without bail.

Sunday, November 20 is National Child Day. I call on the government now to protect families and keep our children safe.

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## GOVERNMENT FUNDING

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, like most MPs in the Chamber on all sides of the House, I am anxious to help government cut wasteful spending.

With that in mind, I had occasion to ask officials in various ministries to supply me with the actual grant applications of certain special interest groups that regularly receive government funding.

I have been denied those applications. They have been withheld pending formal rulings under the Access to Information and Privacy Acts. I have been told, and I know it sounds incredible, that the names and addresses on the forms may be confidential.

This is crazy. The legislation that is supposed to open government is closing it. There is no excuse for not being able to see, on demand, what special interest groups actually promised to do in exchange for the government grants they receive.

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## NATIONAL CHILD DAY

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, this Sunday, November 20 is National Child Day.

On this historic day in 1991 Canada adopted and signed the United Nations Convention on the Rights of the Child, an agreement that would commit our country to ensuring the survival, protection, development and participation of all children.

We must as a society safeguard the well–being of our children, especially those at risk of criminal victimization, exploitation and neglect. We must promote prevention as a means of helping children at risk. We must invest in our children's education. We must provide them with the chance to lead happy and productive lives. As a society we have a responsibility to our children because they are our future.

I had the honour of sponsoring Bill C–371 which was supported by children's organizations such as Our Kids, Results Canada, the Coalition for the Rights of the Child, as well as many other groups across Canada.

On behalf of all my colleagues in the House of Commons, along with Janice Machin of Our Kids and Results Canada, we invite all Canadians to join in celebrating National Child Day on November 20 and making it a very special day.

To those born on November 20, a very happy birthday.

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## HUGH O'NEIL

**Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.):** Mr. Speaker, I rise today to pay tribute to the career of one of most respected and accomplished parliamentarians of the province of Ontario. Hugh O'Neil announced yesterday that he would not be seeking re–election.

Hugh O'Neil was first elected to the provincial legislature for the riding of Quinte in 1975. Since then his 20–year career has seen him go from being the lone voice of the Liberal Party in eastern Ontario to being a senior and trusted minister of the cabinet under Premier David Peterson. He has led Liberals to unprecedented heights in eastern Ontario with electoral victories, including my own to this Chamber in 1988.

His dedication to serving the community and his unerring ability to get the job done against all odds have been the hallmarks of his remarkable career. No amount of credit or praise can express the appreciation and gratitude that I feel he deserves for his outstanding service and for his unparalleled political accomplishments.

The people of the Quinte area will be the lesser with the loss of his strong voice in Toronto. I know all members of the House, particularly those who know Hugh, join me today in wishing him and his wife Donna all the very best for a well deserved retirement.

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[*Translation*]

## CANADIAN AMBASSADOR TO THE UNITED STATES

**Mr. René Laurin (Joliette, BQ):** Mr. Speaker, the Canadian ambassador to the U.S. is trying to muzzle Quebec's representatives in Washington by imposing a chaperon from the embassy at every one of their meetings.

Bloc Quebecois members strongly oppose such interference in provincial affairs by the Canadian ambassador. Quebec directly looks after its own interests in Paris, London, Tokyo, Mexico City and New York. Why is the federal government desperately trying to keep it from doing the same in Washington?

As long as Quebec remains part of Canada, the government must respect the basic principle whereby the provinces' constitutional jurisdiction also applies abroad.

• (1110)

Clearly, the flag war is on again, and the federal government as well as the Prime Minister must both assume full responsibility for the situation.

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[*English*]

## NATIONAL CHILD DAY

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, I too rise to recognize that this Sunday is the second anniversary of National Child Day in Canada. It is a day as all days to listen to children, to respect them and to marvel at all they have to offer.

As 1994 marks the International Year of the Family this is also a day to honour the important role of the family in children's lives. Families are the place where nurturing and respect shape young lives, where identity, culture and values are passed from one generation to the next. Families are truly the cornerstone of society. They equip children with the tools they need to become caring responsible citizens.

For all this we owe the families of our country a great deal from children to grandparents. Let us not forget that grandparents can offer the unconditional love and understanding our children and grandchildren need.

Let us act now to create a better and brighter future for all children because they are our country's most valuable resource and because children matter.

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## LOUIS RIEL

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, on Wednesday of this week Metis people across Canada held ceremonies to recognize the 109th anniversary of the hanging of Louis Riel for treason. Unfortunately Riel has been portrayed as either a traitor or a madman. In fact he was a founder of Manitoba, a member of the House, and a teacher who fought racism and unsympathetic authorities as he championed the cause of human rights.

Riel fought hard for Metis rights and worked to voice the concerns of early western Canadians. He was a man who inspired and carried Metis dreams in 1885 and refused to abandon his people. In doing so he gave all aboriginal people the will to push forth and fight for their dreams and beliefs.

This week is a good opportunity for Canadians and members of the House to remember all of the Metis and aboriginal people who have made the country a better place to live. Louis Riel and the other great Indian leaders such as Chief Poundmaker and Chief Big Bear died for what they believed in and passed on a proud legacy which continues to be carried by the Metis and aboriginal people today.

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## JACK MINER

**Mr. Jerry Pickard (Essex—Kent, Lib.):** Mr. Speaker, this month marks the 50th anniversary of the death of Jack Miner, Canada's greatest naturalist. Jack Miner is best known as the founder of the Jack Miner Sanctuary near Kingsville, Ontario.

Jack was an incredible person who was honoured by kings, queens, presidents and prime ministers for his great work in conservation. Jack was a very practical man who planted trees, not for a shady resting place for his retirement but for the appreciation and benefit of future generations.

He banded the legs of thousands of Canada geese to identify their North American flyways. By placing a line of scripture on the band he used these legions of geese to spread the gospel throughout North America.

To make certain this sanctuary would not be burdened by taxpayers, Jack Miner spent years lecturing about nature around the world. He set up a perpetual trust fund to pay for the operation of the Jack Miner Foundation.

Jack Miner's family, Manley, Jasper, Kirk, and Cheryl have dedicated their lives to carry on the great tradition of Jack Miner.

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## MARINE ATLANTIC

**Hon. Roger Simmons (Burin—St. George's, Lib.):** Mr. Speaker, the decision to eliminate shore based [stevedoring positions] on the Marine Atlantic ferries makes no sense whatsoever. Dozens of full time workers and replacement crew in the Port aux Basques area alone will lose their jobs. It will hurt the local economy at the worst possible time.

This issue is of great concern to everyone for another reason. There is fear that if the plan goes ahead the safety of the public will be compromised for the sake of efficiency.

There is a real need for Marine Atlantic to take another look at the issue to see the logic of keeping the [stevedoring position] at those ports including Port aux Basques and North Sydney where it has served so well for so many years.

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## EDUCATION

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, I rise today in total amazement that on Wednesday afternoon the Minister of Human Resources Development challenged the student protesters to sit down and present their ideas.

In my riding of Edmonton—Strathcona four different university groups requested to speak before the human resources committee and were originally turned down. These groups found out late yesterday that they would be appearing before the committee and would be receiving only 15 minutes each to present their arguments. I wonder how much time has been allocated to each of the 165 organizations whose noses are still in the public trough as they received almost $4 million in intervening funding.

• (1115)

It seems clear to me that the Liberals are following the previous government's actions of talking to whom they wish and then having the audacity to call it public consultations. Canadians are not stupid. If the Liberals continue this shameful display they too will be able to hold their caucus meetings in a telephone booth just like the Tories.

# ORAL QUESTION PERIOD

[*Translation*]

## COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, my question is directed to the Minister of National Defence. Despite the constructive offer from the mayor of Saint–Jean that was announced this week, the federal government insists on closing the Collège militaire royal de Saint–Jean, on the grounds that it would save $23 million annually by making the RMC in Kingston a bilingual institution that would welcome francophone officer cadets.

How can the minister maintain that he will save $23 million annually by closing the Collège militaire royal de Saint–Jean, considering that very substantial additional spending will be required to help the RMC in Kingston make the necessary adjustments to accommodate students transferred from Saint–Jean and hire additional staff?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the hon. member does not have full possession of the facts.

There were a number of expenses that were authorized by the previous government a couple of years ago for construction to start in 1995 for improvements to the Royal Military College in Kingston. Those are proceeding.

With respect to the accommodation of students that will be required as a result of the closing of Royal Roads and CMR, there will only be minor modifications required with respect to the additional facilities at Kingston. Some of the provisions can be met by using existing military facilities and barracks at Kingston.

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, the minister should give us the details we have requested for over a year.

Why does he refuse to admit that the so–called savings of $23 million exist only in his own mind and is just a gross exaggeration by the government to justify its rash decision to close the Collège militaire royal de Saint–Jean, a decision that was rushed through at the very last minute before the budget?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, again it was not a decision that was taken at the last minute. The closing of the two military colleges was something that was planned in preparation for us to meet our red book requirement to reduce military spending at the beginning of the year 1994–95. We have been through those arguments before.

However, as far as the $23 million is concerned in terms of savings that is absolute, that is fixed. I would ask the hon. member to consult with his colleague, the member for Roberval, who came to the standing committee on defence and veterans affairs and questioned very precisely officials of the Department of National Defence and I believe got a full accounting.

There is no fudging of figures. The $23 million in savings from CMR is real.

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, we asked the hon. member for Roberval about this, and the answers he was given lead to conclusions that are entirely different from those produced by the minister. He knows perfectly well that the decision made before the budget was to close the colleges in Saint–Jean and Victoria. The decision had been made.

The minister also knows perfectly well that Quebec has only 13 per cent of Canada's military infrastructures and that they decided to close CMR because at the last minute, they realized they needed an excuse that would satisfy English Canada, and that excuse was closing the CMR. The decision was not based on financial considerations but was merely a face–saving gesture. That is the real reason.

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I am not prepared to discuss the reasons that led to the closing of the CMR. We have made statements in the House on other occasions, and I think our position is quite clear.

• (1120)

[*English*]

I have to say that much of what the hon. member asserts in this particular matter is absolutely false. We are not going to revisit the fact that the budget last year called for a certain reduction in expenditures in defence. It called for the closing of the two colleges. Those two colleges will close.

What is really the issue and something that he should be concerned about is that the former Government of Quebec signed a deal that would meet the Department of National Defence's needs, the Government of Canada's needs, and also assist in the transformation of CMR into a civilian institution. The Government of Quebec is refusing to honour that deal.

[*Translation*]

## NATIONAL DEFENCE

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, my question is also for the Minister of National Defence.

Following disturbing revelations by major Barry Armstrong, senior medical officer of the unit several members of which were charged with the murder and torture of Somalian civilians, the Minister of National Defence announced yesterday a civilian public inquiry. Most of the decisions handed down so far have been appealed and the inquiry will take place after the appeals are heard.

Does the Minister of National Defence intend to vest this inquiry with the same powers as a regular commission of inquiry, in particular subpoena and search powers, and the power to send officers with a warrant to obtain all relevant documents wherever they may be?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I do not think it is appropriate for me to go further in the interests of ensuring the cause of justice be served by giving any more details about the inquiry that I announced yesterday. It will be an inquiry held under the auspices of the National Defence Act. It will be fully public. It will be totally civilian, including the chair. Members of the previous inquiry will be invited to participate in some particular way.

As to the powers of that inquiry and the terms of reference, those will be drafted in the next couple of months. What I have to worry about and what the hon. member should worry about is the timing of such an inquiry. As legislators we cannot do anything that would serve to undermine the judicial process now under way.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, can the minister assure that this inquiry will also get to the bottom of things regarding the behaviour of several other soldiers belonging to the second commando of the Petawawa airborne regiment, and in particular the behaviour of high–ranking officers who supposedly allowed a group called the "Rebels" to fly a flag symbolizing white supremacy, for several months, on the Petawawa base, with complete impunity?

**Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the inquiry will deal with all the aspects of the deployment of our forces in Somalia and all the activities of the airborne regiment. This is what I said we would do and I stand by that decision.

[*English*]

## JUSTICE

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, I bring to the attention of the House a very serious matter. This week the drunken and cocaine defence arguments acquitted a person charged with a serious crime once again since the Supreme Court ruled that intoxication could be used as a defence in any crime.

Will the government commit to introducing a bill promptly in order to deal with this critical inadequacy in the law?

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I appreciate the hon. member's concern in this question. It is a concern to all of us in this House of Commons.

The Minister of Justice has stated on occasion his concern on the matter. He has released a discussion paper which will seek the opinions of people right across the country up until February 28, at which point he will then do what he has to do and what needs to be done as quickly as possible to correct this deficiency.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, Canadians' nerves are fraying over this matter. The parliamentary secretary refers to a discussion paper, but in reality we should snap to some common sense in this place and do something.

The Minister of Justice knows that under the common law judges are guided by previous decisions in similar cases. Criminals are on to this scam, realizing that they can get drunk or shoot up before or even after a crime if they are clever enough and be acquitted.

• (1125)

Once again, will the minister commit today to a date before Christmas by which he will introduce legislation closing this loophole in the Criminal Code so that this travesty of justice can be stopped?

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, of the groups in this country that have spoken to the Minister of Justice, almost completely all of them have stated that the Minister of Justice must proceed cautiously on this point. They want a good law to come from this consultation. They do not want something thrown out that is not going to be appropriate under these circumstances. The Minister of Justice is taking this very seriously and he is going to come forward with this law. It is going to be a suitable one.

I would also say to the hon. member that two of these cases are under appeal and there is a very strong possibility that there could be a change in the decision on appeal.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, if this government was really taking this matter seriously it would move with much more speed than it is.

There is no excuse for delay. The minister acted with amazing speed to eliminate the cultural defence. We applaud that, but he is dragging his feet over the drunken defence. One has to wonder about his commitment to eliminating this defence.

Why does the Minister of Justice refuse to stop this madness today? Why does he not get in step with Canadians and place this item ahead of his own pet agenda of sexual orientation and gun control legislation?

**Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I do not think in the history of this country have we had a Minister of Justice that has moved on so many subjects as quickly as this Minister of Justice.

The Daviault case was decided. The decision was released by the Supreme Court of Canada on September 30. The Minister of Justice has been working on this question. He brought forward the discussion paper and we want a good result. We want to hear the opinion of Canadians. We do not want a knee–jerk reaction. That is not what Canadians want and that is not what Canadians deserve.

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[*Translation*]

## NATIONAL DEFENCE

**Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ):** Mr. Speaker, recent information regarding the Canadian frigate program reveals that Unisys GSG, a company responsible for integrating the defence department's electronic systems, proved unable to meet the requirements of the department. It was learned that the Canadian Navy will not have the necessary systems to train its technicians, and yet taxpayers will still have to pay a $90 million bill. Instead of getting tough, the Department of National Defence chose to sack its own team of auditors who had brought the problem with Unisys to light.

How can the minister explain that he chose to disband his team of auditors, who were responsible for monitoring Unisys's work, instead of taking the appropriate action against a company which, obviously, is not even able to meet its contractual obligations to the Canadian government?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, one of the problems that we have with project management, which was involved in the development of the Canadian patrol frigates and has been the problem in the development of other armed forces equipment, is that often the expenditures that ultimately are incurred are much greater than originally anticipated because new technologies are being developed.

Unisys is a company based in Montreal that has done some outstanding work over the years and is in the vanguard of development of high technology integrated systems within this country. I would hope that as a member of Parliament and also one that represents a constituency in Quebec the hon. member would not want to denigrate in any way the good work that is done by that company.

With respect to the specific question on the Canadian patrol frigates, yes, there obviously were some teething problems. There were some cost overruns. These have been accommodated with negotiation between the company and the crown. As far as we are concerned the frigates now are fully operational. There may be the odd problem that surfaced because of the new technologies, but I do not think the member should be unduly worried.

[*Translation*]

**Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ):** Mr. Speaker, now that we know that the minister has not yet replaced his team of auditors, how can he explain that his department kept on making payments to Unisys GSG, even though he knew that this company was unable to deliver the products ordered by his department?

• (1130)

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, again I am shocked at the tone of this question that denigrates an outstanding Canadian high technology company and one that is based in the province of Quebec. I would like the hon. member to explain that to his constituents in the province of Quebec.

The fact is that Unisys is meeting its obligations. Where there may be some problems in terms of expenditures or some minor modifications that have to be made to the systems that are integrated within the Canadian patrol frigates, those are being addressed in the normal way.

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## DANGEROUS OFFENDERS

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, today Correctional Services will be releasing Wray Budreo. Despite having a 30–year history of molesting children, Budreo has to be released because his latest sentence has expired.

In the past the Solicitor General has always stated that the government felt these individuals could be detained under the provincial Mental Health Act. That did not work in Budreo's case.

What steps will the government take now to protect society from sexual predators like Wray Budreo?

[*Translation*]

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, indeed Mr. Budreo was released this morning after serving his full sentence. However, I could tell the hon. member that all police forces—federal, provincial and municipal—have been informed of his presence in Ontario.

[*English*]

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, this House has my Bill C–240 before it, which could prevent the release of dangerous offenders like Budreo. However, the government says it will not support Bill C–240 because it may be against the charter rights of sexual predators like Budreo.

When is this government going to have the courage to concern itself with the rights of victims and potential victims of predators like Budreo?

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I do share the concerns of the hon. member.

I remind the hon. member there currently is a federal task force concerning high risk offenders. It is presently examining effective ways to deal with these offenders. A report will be handed in sometime in January.

I should also add that the Solicitor General also rendered public the existence of a national system on trying to screen out sex offenders who might try to come into contact with children through various organizations across Canada. It is a priority of this government to protect children from sex offenders.

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[*Translation*]

## NATIONAL DEFENCE

**Mr. Maurice Dumas (Argenteuil—Papineau, BQ):** Mr. Speaker, my question if for the Minister of National Defence.

The case of the Canadian patrol frigates demonstrates that the government paid for products which were never delivered or which did not meet the requirements of the department. We have learned that of the 37 applications of the combat training system which were to be designed by Unisys GSG, only one has been delivered.

How can the minister explain that he paid Unisys for a complete combat training system and is getting only one of the 37 applications requested?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, again I am surprised at the line of questioning in terms of criticizing the work of this company.

I explained to the hon. member's colleague earlier that when one develops new high technology systems inevitably problems will occur in the development, especially when dealing with integrated high tech systems.

The requirements made by the CPF program from Unisys had some problems in development. They have since been resolved or are in the process of being resolved. I fail to see why the hon. member continues to persist in trying to undermine not only the integrity of this company, but the fact that the Canadian patrol frigate is the best of its class in the world.

[*Translation*]

**Mr. Maurice Dumas (Argenteuil—Papineau, BQ):** Mr. Speaker, why is the Minister of National Defence not launching a public inquiry which would show that the federal government is incapable of managing its large capital programs?

• (1135)

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the one positive thing I can say is that we announced in the budget that in the future we would be moving to the acquisition of off the shelf products in military procurement as much as we could. This means that the teething problems caused by research and development in high technology equipment for the armed forces will be borne by a commercial manufacturer. Such equipment that we would buy would be commercial but would have a military application.

Hopefully in the future we can get away from some of the problems the hon. member has described. It is interesting to note that the special committee on defence policy also recommended that the government pursue this line of acquisition more vigorously.

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## AGRICULTURE

**Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.):** Mr. Speaker, my question is for the Minister of Agriculture and Agri–Food.

Does this minister believe in democracy and the democratic rights of farmers to control their own industry?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, it is difficult to know exactly what the hon. member is getting at, except I have an inkling it has to do with marketing systems in western Canada. Obviously the government believes in democracy.

With respect to the issue of marketing systems, as the hon. member knows, that is a subject upon which different farmers in western Canada hold profoundly different opinions. There has been a variety of meetings, rallies and demonstrations on the subject on both sides of the issue.

That is why I have undertaken to provide the opportunity for a very thorough forum through these winter months. Farmers from the different points of view on the issue will have a full opportunity to discuss that matter in an open, logical, objective fashion and not with the excesses of rhetoric that we hear from the Reform Party.

**Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.):** Mr. Speaker, the minister obviously has a funny way of showing his belief in democracy.

This is another classic case of Liberal democracy. Farmers in western Canada have developed a new special crops act. Yet the Canadian Grain Commission has ordered seed cleaning and special crop elevator operators to pay up to $20,000 in licensing and bonding fees or get shut down by the law.

If the minister believes in democracy, when will he get his bureaucrats under control and get them working for farmers? Why will he not immediately introduce new special crops legislation?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** The simple reason, Mr. Speaker, that the decision with respect to special crops takes some time is that there are a good many farmers in western Canada who disagree with the proposals that have been advanced.

It is important to thoroughly analyse all of the various options that are available for the regulation of special crops. The issue is one of the level of protection that ought to be provided under the law to ensure that farmers have security in dealing with special crops dealers. That is the issue we are examining among other technical ones having to do with special crops.

It is very important to ensure that the appropriate regulatory structure be put in place and not one that is too onerous upon farmers or upon the industry.

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[*Translation*]

## AIR TRANSPORTATION

**Mr. Bernard St–Laurent (Manicouagan, BQ):** Mr. Speaker, my question is for the Minister of Transport.

The chambers of commerce in several regions of Quebec have accused Air Canada and Canadian International of conspiring to eliminate competition in the regions. These companies are allegedly fixing higher prices for area service in order to subsidize international flights, where the competition is fierce.

Does the Minister of Transport agree that the staggering increase in airfare since 1988 is killing our regional economies and that it shows that deregulation is ineffective in stimulating competition in the airline industry?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, the hon. member raises some very important questions.

• (1140)

Allegations of a conspiracy by airlines to fix prices and so forth raise some very thorny questions, and I would like to emphasize that if those who are concerned about this problem are really looking for answers and want to look into the matter more thoroughly, they should exercise their right to express their concerns to the National Transportation Agency, in addition to perhaps consulting the Competition Act.

The allegations made are serious ones, and I believe that the airlines and all those involved in the sector have the right to see these allegations made and directed to the right quarter. If an investigation is necessary, then one should be held, in order to shed some light on the question raised by the hon. member.

**Mr. Bernard St–Laurent (Manicouagan, BQ):** Mr. Speaker, given that these questions are indeed very sensitive, thorny to use the minister's word, does he intend to look into the allegations made by the Quebec chambers of commerce and ask the competition bureau to conduct an investigation into the allegations of collusion, for we are talking about allegations of collusion, an extremely serious charge, between the major airline carriers and their subsidiaries in order to eliminate regional competition?

[*English*]

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, I repeat my concern for the rights of companies and the shareholders of those companies to have an opportunity to deal with the issues raised by the hon. member.

There is a competition bureau as well as the National Transportation Agency. I would think that members of the opposition would understand why a minister of the crown would be very hesitant to consider directing those agencies. They are quasi–judicial agencies of which we have heard a great deal from the opposition over the past few weeks.

If there is a legitimate grievance that reflects the concerns raised by the hon. member, the chambers of commerce or interested citizens should direct their complaints and the allegations that have been referred to by the hon. member directly to the competition bureau and/or the National Transportation Agency. They can be dealt with by those quasi–judicial agencies

that have to operate under their own rules under the law and not under the direction of any minister of the crown.

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## HIGHWAY 416

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Mr. Speaker, my question is directed to the President of the Treasury Board. It has to do with highway 416 in eastern Ontario.

The current Ontario government's lack of commitment to eastern Ontario was never better illustrated than the recent suggestion of a user pay highway from the 401 into the nation's capital. The federal government's commitment to this project on a shared cost basis is well known and I applaud the minister for condemning outright the idea of a toll road.

With no interest in financing the toll road, what alternative for getting the project moving is the minister exploring at this time?

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.):** Mr. Speaker, I appreciate the need for this highway and I also know of the vigorous effort put forward by the member for Leeds—Grenville in this endeavour.

I therefore suggested to the provincial government in the springtime that we fund it under the Canada–Ontario infrastructure works program. It did not respond to that and did not put in an application. In fact the provincial government indicated a reluctance.

In the summertime I suggested a strategic transportation improvement program as another way it might be able to rework some priorities to help fund this. That is a shared program as well. The only response came back just a few weeks ago in terms of the proposition of tolls. If the province of Ontario is going to do this by tolls we are not interested in getting into the funding. I also wonder whether it even meets the province's criteria for what would qualify as a toll road.

I would be quite happy and in fact would like to meet with the new minister of transport in Ontario to further explore the infrastructure works program and the strategic transportation improvement program for funding of this necessary project.

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## CANADIAN WHEAT BOARD

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, my question is for the Minister of Agriculture and Agri–Food.

Recent polls and rallies have shown that farmers want an elected board of directors to run the Canadian Wheat Board. What action is the minister prepared to take to give farmers their wish to have an elected board instead of an appointed one?

• (1145 )

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, I am sure that very interesting proposition is one of the ideas that will be discussed during the winter in the forum we are conducting with respect to marketing systems in western Canada, particularly the operations of the Canadian Wheat Board.

Other marketing agencies around the world could be examined as models for their precedential value in corporate governance, matters relating to marketing systems.

It is an idea that a number of farmers have suggested. In some studies conducted previously four or five years ago the idea was advanced as an alternative in terms of corporate governance. It is an idea I am sure farmers will want to explore very thoroughly and I am determined to provide them with the opportunity to do that.

**Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.):** Mr. Speaker, a supplementary question for the minister. Farmers know what they want and it is time to listen to their demands.

Why will the minister never listen to farmers' wishes or input but continually gives his ear to special interest groups no matter what farmers' concerns are?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, I probably spend the majority of my time as minister of agriculture listening very carefully to farmers.

From time to time they are represented by their official organizations. On other occasions and very valuably, individual farmers take the opportunity to raise concerns with me either in person, by mail or in public meetings of various kinds.

The input from farmers is the most valuable advice that a minister of agriculture can receive. It is important to note the distinction between the valid and legitimate advice and opinion that is offered by farmers and the sometimes rather twisted point of view one hears from the Reform Party.

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[*Translation*]

## AIR SAFETY

**Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ):** Mr. Speaker, my question is for the Minister of Transport.

On October 28, the Official Opposition called the minister's attention to excerpts of a Transport Canada's inspection report in which major irregularities were noted with respect to the maintenance control system for aircraft owned by Royal Aviation Inc.

The minister was to look into the situation and take corrective action. Now that he has had the time to look into this situation, does the minister not agree that this carrier's maintenance control program is totally inadequate? And can he tell us what steps were taken to remedy the situation?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, when the issue was raised, as the hon. member pointed out, we looked into the matter. There were indeed deficiencies in the control system. There were problems and these were corrected.

I want to reassure my hon. colleague that not only was the situation looked into, but that appropriate corrective action was taken and the company now operates within the regulations issued by Transport Canada.

**Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ):** Mr. Speaker, can the minister tell this House whether the control measures contemplated include surprise inspections by his department. Should carriers that pose a risk not be placed under the direct supervision of Transport Canada?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, this whole issue of safety is a very important one. It is the primary responsibility of the Department of Transport. I can assure my hon. colleague that we will continue to exercise all due diligence to ensure that all air carriers abide by the existing regulations.

Problems can always arise, but, as far as possible, we want to leave no doubt in the minds of Canadians and foreigners travelling in Canada as to the safety and efficiency of our air transportation system.

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[*English*]

## AGRICULTURE

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, Ontario wheat farmers have been electing their wheat board directors for some time. This system seems to work very well for them. Are western farmers less capable, less deserving?

• (1150)

Why does the minister of agriculture absolutely refuse to permit western farmers to elect their wheat board directors?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, I point out to the hon. member that it was a previous Liberal government that provided the first electoral process with respect to the Canadian Wheat Board, that is the election of the advisory committee.

As far as future changes that might take place within the corporate government structure is concerned, it is a subject on which farmers will be having discussions this winter. I will be very interested to hear the varying points of view from farmers on that particular approach to corporate governance.

One of the technical matters that the hon. member should bear in mind concerning the difference between the Canadian Wheat Board and the Ontario Wheat Producers Marketing Board is that under the Canadian Wheat Board system we have the provision under federal legislation for government financial guarantees concerning initial payments. That obviously is a substantial financial distinction between the operations of the two boards and indicates why in some circumstances the methods of corporate governance might well be different.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, this is really stupid. Too much time and too little action.

The question is, democracy or dictatorship? That is the question. Do we have a democracy or are we going to continue with this dictatorship?

Is the minister going to continue to deny farmers democracy and continue with this present dictatorship?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, as usual in the rather simplistic approach of the Reform Party its members are missing a very fundamental point.

It is important to make intelligent, thoughtful decisions after everyone, in a fully democratic manner, has had an opportunity to discuss the matter and state their points of view, rather than pre–empting all of the discussion and simply opting for a proposal put forward by a political party that has already made up its mind, in the form of the Reform Party. It does not represent the majority of western Canadian farmers.

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## CANADIAN NATIONAL

**Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, my question is for the Minister of Transport.

I wrote to Canadian National real estate on February 10 asking about the CN abandoned railway line between Renfrew and Arnprior. I received no reply. I wrote again on June 10—no answer. Repeated phone calls finally produced a letter on October 25 ignoring my concerns.

Canadian National real estate cancelled an appointment to meet with me this week.

Will the Minister of Transport tell the president of Canadian National that the corporation has the responsibility to answer mail from members of Parliament and that it has no right to treat Parliament with contempt? We have to represent constituents.

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, in listening to the member's question I can only say to him and to other members that I will take steps today to check to see what happened in the member's particular situation.

But I will tell you, Mr. Speaker, and even my friends the Reformers who I know are not in favour of writing letters—they do not put pen to paper very often, they do everything by telephone—I will ensure that the officials of Canadian National respond rapidly and appropriately to all members of Parliament on all sides of the House.

* * *

[*Translation*]

## QUEBEC CITY BRIDGE

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, my question is for the Minister of Transport. The Quebec City bridge has been designated a historic monument by the American Society of Civil Engineers and is one of the finest engineering structures in Canada. This bridge, which was built between 1900 and 1919, now needs major repairs which, according to experts, would cost $45 million over a six–year period.

• (1155)

Since the owner, Canadian National, did not allocate the resources needed to keep it in good condition, the bridge has deteriorated considerably.

Given the importance of the Quebec City bridge as a rail link between the two shores of the St. Lawrence at Quebec City and its historic and tourist potential for that region, does the minister not think that this bridge should undergo major repairs and that the work should start as soon as possible?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, the hon. member said that the Quebec City bridge he is referring to belongs to Canadian National. If repairs are needed—and I readily accept what the hon. member said about the condition of the bridge—, we will ask CN to review the matter and see if it is possible to announce the measures they will take to try to repair the bridge.

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[*English*]

## PEARSON INTERNATIONAL AIRPORT

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, the Pearson airport question is a matter of the right of due process. In this context the fact that Bill C–22 deals with Pearson airport at all is coincidental and could just as easily deal with a rail privatization contract, a government construction contract or an airport contract under the minister's proposed national airports program.

Can the Minister of Transport advise the House how he justifies denying any Canadian the right of due process?

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, if the question was not so serious because of the importance of Pearson, I would be tempted to contrast the approach the Reform Party takes to taxing Canadian taxpayers with a $445 million bill which would be the result. If the contract was found to be valid, entered into in good faith, damages awarded, it could be $445 million.

I am tempted to contrast that with the view of Reformers when they are dealing with some of the questions they bring up here where they show no respect for the law and no respect for the courts, but they want their friends who are involved in this deal to be in the courts so that they can rip us off for $445 million.

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## GRAIN TRANSPORTATION

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Mr. Speaker, the minister of agriculture in announcing that the Liberals will change the Crow benefit has betrayed a long held commitment to prairie farmers and the communities that they support.

Has the minister failed to understand the importance of the Crow benefit to the economic viability of the prairies or is he just ignoring the views of thousands of farmers heard in recent public hearings?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.):** Mr. Speaker, the hon. gentleman in asking the question is overlooking the impact of the soon to be implemented General Agreement on Tariffs and Trade and particularly the new World Trade Organization which brings to bear some important disciplines in the world on the use of export subsidies.

We will insist that other countries around the world adhere to their obligations under the new GATT. That will mean for example that countries like the United States will for the first time in a long time have to bring down some of its export subsidies such as the export enhancement program.

While we expect every other country in the world to abide by their obligations, Canada must abide by those same obligations. Within the terms of the new GATT agreement a portion of the Western Grain Transportation Act is defined as an export subsidy. In those circumstances we can do one of two things. We can either change the Western Grain Transportation Act so it no longer falls within the definition of an export subsidy or we can leave it the way it is and live within those new highly restrictive disciplines.

Obviously it is to the advantage of western farmers to change the Western Grain Transportation Act rather than suffer the tough disciplines under the new World Trade Organization.

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## TRADE

**Mr. David Berger (Saint-Henri—Westmount, Lib.):** Mr. Speaker, my question is for the Minister for International Trade.

The Prime Minister is the first to acknowledge that deals are done by businessmen and women, that they depend on their abilities and those of management and workers. Yet every team needs a leader.

• (1200)

Considering the positive tone set by the Prime Minister and the doors he opened, can the minister inform the House what results were obtained in Canada's largest ever trade mission abroad?

**Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.):** Mr. Speaker, there are two theories. The first theory states that for every $1 billion in trade, we create up to 9,000 jobs. Another theory states that for every $1 billion in trade, we create up to 15,000 jobs.

If we take the worst possible scenario, this trip will generate up to $10 billion in revenues to Canada's industries. If we multiply that by 9,000 that will give us 90,000 jobs at least. If we look at the best possible scenario, it will give us 150,000 jobs over the next few years.

While I am on my feet I want to say that the trade figures—

**Some hon. members:** Oh, oh.

**The Acting Speaker (Mr. Kilger):** Order, please.

**Mr. Tobin:** Mr. Speaker, the House has been deprived of the best answer we have heard all week. Wait until you hear the rest of it.

**Some hon. members:** Hear, hear.

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# ROUTINE PROCEEDINGS

[*English*]

## COMMITTEES OF THE HOUSE

HEALTH

**Hon. Diane Marleau (Minister of Health, Lib.):** Mr. Speaker, pursuant to Standing Order 109 I have the honour to table, in both official languages, the government's response to the first report of the Standing Committee on Health entitled "Toward Zero Consumption, Generic Packaging of Tobacco Products".



NATURAL RESOURCES

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, pursuant to Standing Order 109 I have the honour to table, in both official languages, the government's response to the second report of the Standing Committee on Natural Resources entitled "Canada: A Model Forest Nation in the Making".

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[*Translation*]

## GOVERNMENT RESPONSE TO PETITIONS

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

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## COMMITTEES OF THE HOUSE

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Mr. Jean-Robert Gauthier (Ottawa—Vanier, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Foreign Affairs and International Trade.

[*English*]

This report relates to Bill C-57, an act to implement the agreement establishing the World Trade Organization. The committee considered the bill and presents the report, with amendments.

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

**Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the eighth report of the Standing Committee on Aboriginal Affairs and Northern Development regarding Bill C-55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory, and to amend other acts in relation thereto, without amendment.

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## PETITIONS

RIGHTS OF THE UNBORN

**Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, I have the honour to present a petition by many constituents and many people from both inside and outside the constituency in places like Calabogie within, Bancroft without, Cobden, Eganville within, Kanata without, Chapeau, Quebec outside and from many other points in Canada.

The petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

GUN CONTROL

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, I have two petitions today. The first is a petition from many individuals asking that Parliament desist from passing further legislation dealing with firearms and ammunition and to direct attention to the adequate punishment of the criminal element in society.

• (1205)

MINING

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, the other petition is about the mining industry in Canada. The petitioners call upon Parliament to take action to help employment to grow in this particular sector, promote exploration and rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada.

This is a petition that I fully endorse.

GUN CONTROL

**Mr. Herb Grubel (Capilano—Howe Sound, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I rise to present the following petition, signed by citizens from many different ridings in British Columbia.

This petition requests that Parliament refuse to accept the justice minister's anti–firearms proposals and insist that he bring forth legislation to convict and punish criminals rather than persecuting the innocent.

**Mrs. Daphne Jennings (Mission—Coquitlam, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I am presenting a petition on behalf of British Columbians from all regions of B.C. on anti–firearms legislation.

I think the directions are so clear they should be read: "That Justice Minister Allan Rock is proposing anti–firearms legislation that will virtually do nothing to reduce violent crime, but will severely restrict the rights and freedoms of millions of innocent firearms owners, contrary to the very principles of justice".

**The Deputy Speaker:** Please, members, do not read petitions. It would take us all day. Please give a summary of them. The hon. member may continue briefly.

**Mrs. Jennings:** Mr. Speaker, I will be brief. Therefore, the petitioners request that we address the case at hand, the firearms legislation. Please replace it.

HUMAN RIGHTS

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, pursuant to Standing Order 36, I rise to present four different petitions.

The first is from a variety of communities throughout the riding of Kootenay West—Revelstoke. The petitioners pray and request that Parliament not amend the human rights code and the Human Rights Act to provide anything that would tend to indicate societal approval of same sex relations, homosexuality, including the human rights code to include the prohibitive grounds of discrimination in the undefined phrase sexual orientation.

ASSISTED SUICIDE

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, in the second petition, the petitioners pray that Parliament ensure that the current provisions of the Criminal Code prohibiting assisted suicide be enforced vigorously and that Parliament make no changes to the law which would sanction, aid or abet suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, I have another petition from my riding in which the petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

BILL C–206

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, the final petition is also from my riding. The petitioners call upon Parliament to enact Bill C–206 at the earliest opportunity so as to provide a statutory foundation for a national witness relocation and protection program.

ASSISTED SUICIDE

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, pursuant to Standing Order 36, it is my honour to table a petition bearing 113 signatures, mostly from the village of Pambrun in my riding.

The petitioners pray that Parliament ensures the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

BILL C–256

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, I am pleased to present a petition bearing 50 signatures. These people are in support of Bill C–256, presented by my colleague the member for Mississauga South, which is to compensate spouses working in the home and caring for preschool children.

YOUNG OFFENDERS ACT

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I have several petitions that I would like to present to the House.

The first petition deals with the Young Offenders Act. The petitioners in memory of Ryan and in support of Stu and Marg Garrioch and family request that Parliament recognize that crimes of violence are serious and out of control, putting all of society at risk. They ask the House to amend the Young Offenders Act and give society the protection it deserves. There are 280 names on that petition.

• (1210)

PAROLE

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, the second petition is with regard to parole. The undersigned request that Parliament recognize that crimes of violence are serious and out of control, putting all of society at risk and that life should be life with no parole for violent offenders convicted of first degree murder and a minimum of 25 years without parole for those convicted of second degree murder. There are 285 signatures.

CAPITAL PUNISHMENT

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, there is a third petition on capital punishment with 358 signatures. The undersigned request that Parliament recognize that those who commit murder never be released from prison. To that end we ask that capital punishment be reinstated for all offenders.

I heartily agree with this petition.

HUMAN RIGHTS

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, a fourth petition is on sexual orientation. The petitioners pray and request that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation. There are 305 signatures.

EUTHANASIA

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I have three other petitions on the matter of euthanasia. There are 1,142 signatures of petitioners asking that Parliament not repeal or amend section 241 of the Criminal Code in any way and to uphold the Supreme Court of Canada decision of September 30, 1993, to disallow assisted suicide euthanasia.

I heartily agree with all of these petitions.

RIGHTS OF THE UNBORN

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, I rise today to table three petitions. The first petition is from residents in my constituency including 100 Mile House, Lone Butte and 108 Mile Ranch.

My constituents call upon Parliament to act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

**Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.):** Mr. Speaker, the second and third petitions from residents of my constituency including Williams Lake, 100 Mile House, 108 Mile Ranch, Lone Butte, Forest Grove and Ninety Three Mile House call upon Parliament not to amend the human rights code, the Canadian Human Rights Act, or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds for discrimination the undefined phrase sexual orientation.

These petitions come with my concurrence.

ASSISTED SUICIDE

**Mr. Paul DeVillers (Simcoe North, Lib.):** Mr. Speaker, pursuant to Standing Order 36, I have two petitions with a total of 74 signatures against assisted suicide and requesting that Parliament make no change in the law to allow or abet suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

**Mr. Paul DeVillers (Simcoe North, Lib.):** Mr. Speaker, I have another petition with 31 signatures requesting that protection be extended to the unborn child.

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## QUESTIONS ON THE ORDER PAPER

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Questions Nos. 82, 89 and 90 will be answered today.

[*Text*]

Question No. 82—**Mr. Cummins:**

What effect did the late signing of the Aboriginal Fishing Agreements in British Columbia have on the Department of Fisheries and Oceans enforcement of the Agreements and fisheries regulations in 1994?

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** While negotiations on agreements with aboriginal groups for management of aboriginal salmon fishing were in many cases protracted, leading to delays in signing of agreements, these delays had little impact on the enforcement of agreements and fisheries regulations. Procedures and protocols for managing aboriginal fisheries had been developed under the aboriginal

fisheries strategy in previous years. These procedures were not in dispute, allowing both the Department of Fisheries and Oceans and the aboriginal groups to proceed with planning for management and enforcement while negotiations on allocation numbers were ongoing.

All aboriginal salmon fisheries were licensed under the communal licence regulations with the licences reflecting established management procedures. In many cases aboriginal groups were able to prepare for and participate in management of the fishery through bridge funding arrangements even while negotiations were ongoing. In some cases, uncertainty as to final levels of funding to be established through negotiations did curtail aboriginal participation in the management of the fishery.

The department is currently reviewing all enforcement concerns recently raised. The purpose is to identify program weaknesses and develop solutions to prevent reoccurrence. As well, the minister has set up an independent review board to examine all factors related to the management of Fraser River sockeye stocks. The board is to provide its final report to the minister by January 31, 1995 including recommendations for corrective action.

Question No. 89—**Mr. Fillion:**

Is the Department of Fisheries and Oceans planning to rebuild the wharf in L'Anse Saint–Jean in the riding of Chicoutimi, to re–evaluate this project in fiscal year 1995–96 and to begin negotiations with the municipality of L'Anse Saint–Jean?

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** The Government of Canada has been aware of the municipality's interest in rebuilding the wharf at L'Anse St–Jean since the fire of August 22, 1992. Since that time, the Department of Fisheries and Oceans (DFO) has been discussing the situation with the municipality.

In 1993/94 and 1994/95, DFO approved expenditures totalling $300K for the pre–engineering studies, and for the plans and specifications for the reconstruction of the wharf. This was done to facilitate the wharf's reconstruction, should funds become available. At that time the government could not make a commitment to proceed with the work.

Public Works and Government Services Canada's recent technical assessment and planning documents indicate that the demolition of the outer end of the wharf and its reconstruction and the renovations to the remaining portion of the wharf will cost an estimated $2 million.

In light of the current climate of fiscal restraint, competing demands for funds to carry out repair and reconstruction projects at federally owned harbours across Canada cannot all be accommodated within the limited budget for the small craft harbours program. Under the current program review, government is seriously questioning whether we can continue to spend diminishing funds or operate improved or reconstructed recreational harbours at the expense of doing essential repairs at commercial fishing harbours. DFO has assigned a higher priority to repair projects at commercial fishing harbours than to recreational harbours and this leaves no funds for large recreational projects. As a consequence, DFO is unable to make a commitment to rebuilding the wharf at L'Anse St–Jean at this time, and it is unlikely that this situation will change in 1995/96.

DFO is prepared to co–operate should other interests provide the funds necessary to reconstruct the wharf.

Question No. 90—**Mr. Fillion:**

Will the post offices in the riding of Chicoutimi be reorganized and if so, how and what effect will this have on employment and the quality of customer service?

**Hon. David Dingwall (Minister of Public Works and Government Services and Minister for Atlantic Canada Opportunities Agency, Lib.):** Starting on February 13, 1995, Canada Post will improve collection and delivery in the riding of Chicoutimi by introducing motorized mail courier service to the area. Also, letter carrier operations currently located at the Chicoutimi Racine and Chicoutimi Nord facilities as well as mail processing operations currently located at the Chicoutimi CTC will be consolidated into a new facility at 1939 Des Sapins Street in Chicoutimi. Retail customers will not be inconvenienced, as CPC products and services will continue to be availabe in the Chicoutimi Nord and Chicoutimi Racine establishments.

Though CPC employees will be transferred to the new facility, there will be no job loss associated with this rationalization.

The project will result in better postal service for the region, as Canada Post introduces a modern collection and delivery system well adapted to the future needs of its customers.

[*English*]

**Mr. Milliken:** I would ask that all remaining questions be allowed to stand.

**The Deputy Speaker:** Shall the remaining questions stand?

**Some hon. members:** Agreed.

[*Translation*]

**The Deputy Speaker:** I am told that the hon. member for Verchères has asked to present a petition. Does the House agree to return to Presenting Petitions?

**Some hon. members:** Agreed.

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## PETITIONS

### UNIVERSALITY OF TAX CREDIT

**Mr. Stéphane Bergeron (Verchères, BQ):** Mr. Speaker, I thank my colleagues.

Pursuant to Standing Order 36, I am pleased to table in this House today a petition signed by 156 residents of the riding of Verchères, more particularly, the municipality of Varennes.

Referring to the abolition of universality for the age credit for income tax, the signers of this petition believe that the present government is unduly attacking the income of retired people.

The signers also consider these measures to be very discriminatory in fiscal terms since they attack people who have already made a major contribution to the Canadian economy; these measures would deprive these people of hope for an improved standard of living in the coming years.

• (1215)

Accordingly, the 156 signers of this petition ask Parliament to vote against any measure that would lower the income of retired people. Needless to say, I share the analysis of the situation presented in this petition and I strongly support my fellow citizens' request.

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# GOVERNMENT ORDERS

[*English*]

## SOCIAL SECURITY PROGRAM

The House resumed consideration of the motion.

**Mrs. Beryl Gaffney (Nepean, Lib.):** Mr. Speaker, I am very pleased to speak in the House today on social security reform. I will direct my comments specifically to the unemployment insurance aspect of it and how the proposed changes will affect women and families.

This debate takes place at a critical time in the history of Canada's social programs. The Minister of Human Resources Development launched the social security reform debate in the House last January. At that time he challenged Canadians to define what effective social programs would look like in a world shaped by the economic and social trends we see around us today.

During the following months the Minister of Human Resources Development and the Standing Committee on Human Resources Development have both heard the same things from a large number of Canadians. Quite simply our social programs are losing the confidence of the people who pay taxes. They see the inconsistencies and the gaps.

Like every member of the House I have received numerous letters and phone calls on the topic. The polls say it. Our mail says it. Canadians are not satisfied with the status quo. They know that a more effective and a more cost effective social safety net is not just possible; it is necessary. That is why the government released the discussion paper on social security reform on October 5.

We want a debate for all Canadians. One element of the debate is fairness. Canadians clearly reject the idea that we should have a slash and burn approach to social programs. They just want them to work better. They want the money and services to meet the greatest needs with the greatest impact.

Certainly unemployment insurance was not meant to create the cycle of dependency that has developed in too many communities for too many workers. A large and growing share of people who get UI are frequent claimants. Thirty–eight per cent have made three claims in five years. With the best of intentions we have allowed the system to develop into one that encourages low skilled, seasonal and temporary work in high unemployment regions. It does little to encourage people to improve their skills and their options.

A place where that is certainly the case is in the unemployment insurance area. To hear some of the comments in the House on the topic one could conclude that UI is about to be destroyed in some fiendish plot driven by the titans of high finance. One could conclude that the government is bound and determined to roll back the gains that women have made in the labour force over the past generation. One could conclude that we are determined to make poor families suffer. Nothing could be further from the truth.

I want to concentrate my remarks today on how the green paper proposals on UI relate to the needs and the realities of women and families in Canada. UI has been serving Canadian workers for over 50 years. For most employees it works as it was intended to. It is insurance to tide them over the time between jobs.

The labour market has changed greatly since 1942 when the first claim was filed. Now people do not just lose one job and move on to another. Structural change in our economy means that people may not just move between jobs; they may move between industries or communities. UI was not designed to deal with that type of situation.

In contrast, as hon. members will recall, is the second option of a system of employment insurance. Within it there could be basic insurance that would work in the way UI does now. People who make a UI claim only infrequently would see no real change. People who need the help with the special benefits such as maternity, parental, adoption, or sickness benefits would still be able to get that help.

• (1220)

At a time when we are asking how we can invest funds to make people employable across all social programs we have to ask the same questions about UI. The discussion paper lays out two different approaches we could take to address the fact that some people need far more help than UI can give them through income support alone.

The first is simply tightening the status quo. Higher eligibility rules, shorter duration of benefits and lower weekly benefits are all options. The only problem is that it does little to address the needs for more active labour force programs. It nibbles at the edges of the program without really challenging the big questions surrounding UI.

People who make relatively frequent use of UI would move into the adjustment insurance category. For these people there would be a greater emphasis on help to find the skills to get and keep better longer term work. The government recognizes that some industries are seasonal and that some communities have little work in parts of the year. That is why we are open to ways to make this approach work well.

Some critics have raised the idea that people who might be eligible for adjustment insurance could have their benefits set on the basis of family income. This has been opposed by some people as a giant step back for women. Before any more interest groups howl about this let us again look at the facts.

First, very few women would be affected by this proposal if it actually came to pass. Women account for only about one–third of all frequent claimants. The program is good for about seven out of ten women. Adjustment insurance would not matter. Their needs would be met by the basic insurance program.

Second, women would still have good access to the special benefits under the system. A study states that women account for 59 per cent of all sickness claims. We know they account for the maternity claims. We can guess that they probably account for the majority of claims raised for adoptions and parental benefits. There would be no change for the vast majority of women who call on UI for help. It will still be there to help them.

Where the debate exists is over a proposal that would base adjustment insurance benefits in part on family earnings. Third, low income people would get the full benefit. A sliding scale would lower the benefits for people with higher incomes. Immediately some protested this might undermine the self–esteem of a woman or it might undermine her financial independence. I disagree with that statement.

In 1991, 18 per cent of frequent claimants had annual incomes of over $50,000. A further 28 per cent had family incomes of between $30,000 and $50,000. Frankly the image one gets is that UI for these people is a regular top–up to family income and not a protection against hardship. Canadians have the right to ask if this is the best way to spend their dollars. I suspect that Canadians will agree that it is not. They will agree that these people claim the money because of a feeling of entitlement, not need. UI is not a publicly subsidized savings account.

The prospect is that by focusing attention on people most in need whose work patterns are the most marginal we can help them break out of a cycle of dependence. The premiers of the Atlantic provinces agree. Economic analyses agree. Canadians agree. The old pattern of 10:42 simply does not work. The answer is not to cut people off and say sink or swim. The answer is to get programs and services in place to help.

Women will benefit from this approach. The idea is to put more emphasis on employment development services of all kinds: counselling, job search skills and work experience training. The idea is to move money from less important places to more important places.

Among the proposals in the green paper was one that raised the question of improving UI coverage for part time and seasonal workers. Most of the people who would benefit from it are women. Twenty–eight per cent of women workers are in part time jobs whereas only ten per cent of men are. The ideas we have suggested could directly address the needs of those women better than the status quo.

• (1225)

Many women need the kinds of programs social security reform will make available. Let us take the example of single mothers. Almost 60 per cent of lone parent families with children under 18 live on low incomes and 95.9 per cent of single parent mother led families live below the poverty line. They often lack support services such as child care that would help them get back to work. Those on social assistance often find that the value of support services like dental care are much greater than what they can earn with the limited skills they may have.

The government has embarked on a series of experiments with the provinces to explore better ways of helping these mothers get back into the workforce. We now have a pilot project in Manitoba that will provide 4,000 lone parents on welfare with employment skills and support. The program is called "Taking Charge". It is specifically to help those people do just that, to take charge of their lives.

We will continue to solicit the ideas and views of Canadians. I am glad to see that the Standing Committee on Human Resources Development has attracted not only many submissions but substantial attention in the media. The issue is very important. It deserves a full debate. That is why the government has provided financial resources to 19 women's organizations to enable them to participate in the consultative process.

Many times we in the House hear different people ask why we are providing financial resources to organizations so that they can attack the government. This is a case where we are providing financial resources to women's organizations not to attack the

government but to give us the ideas we need to provide help for women.

Our current set of programs were designed at a time when most people needed relatively few skills to get and keep a job. What they picked up in school and on the job was usually enough to build a lifetime of earnings. People needed financial help between jobs. Others needed support if they could not work at all due to disability or family commitments. The old system was based on a stable world with stable skills and stable jobs for the vast majority of working people.

I would like to refer to my own case. My husband and I raised five children who have all been in the workforce for a few years. They were all able to complete university and get jobs. They are now contributing citizens. Not one of them has ever collected a day's UI in their lives. That is not the way it is today. Times have changed. Students coming out of university are having a very difficult time and we have to address that problem.

Our support for programs like New Brunswick Works in New Brunswick and Job Link in Ontario and the Northwest Territories is investing in people and is helping us find better ways to help the most disadvantaged, to help their children break the welfare cycle and to have self–esteem at work. Social security reform can help women and their families far better than any of the patchwork programs we now have in place.

In the end the value to women of social security reform is much the same as it is for men. At the centre of any social security network lies a guiding principle. In a time of constant change that principle must be employability. Real security for Canadians comes from the ability to get and keep a job. Our programs must reflect the fact that this is more complex now than it was in the past. That is true for both men and women.

We cannot stop changes; we can help people provide the skills and supports to meet the realities of change. From letters I have seen and the people to whom I have spoken, that is all most people are asking for. Social security reform addresses important questions that affect women and all Canadians. It points to a new approach to working, to learning and to security. Everyone can benefit from that.

My speech today has been narrow in its focus because I have specifically dealt with women and UI and how the changes we are talking about in our social security reform will affect them. The whole package of social security reform is broad and will affect all Canadians. I felt this particular aspect was so important that I wanted to focus and narrow in on specifically UI and women's issues and I was pleased to do so.

• (1230)

[*Translation*]

**Mr. René Canuel (Matapédia—Matane, BQ):** Mr. Speaker, the hon. member said earlier that her children never had to rely on UI benefits. This is great, but it is not the case for us. Our mothers and fathers have a lot of heart. Still, many children claim UI benefits not because they want to, but because they have to.

The government will create two classes of unemployed. One for those who occasionally claim UI benefits, like once every five years, and the other for those who do so almost annually.

Where I come from, around November, workers have to claim UI benefits again, because they are out of work. They are jobless.

I worked for the agency and for other organizations to generate work. Back home, a great number of people do their utmost to create jobs, not only through programs but in the field. People in my region are extremely disappointed by the minister's reform. They know that they have no choice but to rely on UI benefits every year. Yet, the new reform provides for cuts in those benefits as well as for more work weeks, something which is impossible in the Gaspe Peninsula.

We asked, among other things, that the Eastern Quebec Development Plan for forestry workers be extended. We made representations. This morning I made a statement pursuant to Standing Order 31. This is cumbersome. The government does not understand. It does not understand that, in the Gaspe Peninsula, the Lower St. Lawrence region and the riding of Matapédia—Matane, the issues are not necessarily the same as in Toronto or Calgary.

The hon. member told us that her children never had to rely on UI benefits. I congratulate her and her children, but I also tell her that the situation is not the same for everyone. I hope she will realize that.

I want to make another point. If tuition fees go up, a very large number of students from the Gaspe, Matapédia—Matane and Lower St. Lawrence regions will not be able to attend university. In my region, the university is located in Rimouski and not every subject is taught there. Consequently, some students have to go to Laval university, in Quebec City, or to Montreal, thus incurring extra costs. If they go home once a month, they have to pay for their transportation costs and also spend extra money on food and lodging. If, on top of that, tuition fees are increased, as many as half the student population in my region may not be able to go on. Even today, the total number of those who can afford to attend university is lower than elsewhere. Therefore, my region is adversely affected by this measure.

If the hon. member cares about those who live in rural and remote areas and who will not be able to go to university because of that reform, what would she tell the unemployed in my region who want to work but cannot find jobs? I would appreciate an answer on these two issues.

[*English*]

**The Deputy Speaker:** The hon. member for Nepean will have as much time as her colleague had to give her answer.

• (1235)

**Mrs. Gaffney:** Mr. Speaker, I thank the hon. member for Matapédia—Matane for his question.

I hope in mentioning my children that I did not create a wrong impression with the member for Matapédia—Matane because that was not the intent of my mentioning them.

I was making a comparison of young people coming out of university, high school or college a few years ago and obtaining a job and today. If they had a certificate or diploma from a university it was almost a guarantee that they could get a job. It was much easier. That is gone. It is no longer in effect. Young people graduating today who might have a masters or PhD still have to spend two years looking for a job. The situation has changed.

My children were raised in a very fortunate time in the history of Canada, They were able to access a job immediately. They were fortunate they did not have to go into the UI system and that money was able to stay there for those who needed it. It was not necessary for them to participate in a government program that was there to benefit those who could not find work.

I have a great deal of sympathy for the people who live in an environment or in a territory of Canada, such as the member lives, where their work is seasonal and it is very difficult for them to find work for 12 months of the year.

These are the types of reforms we are talking about in the human resources development program. They are specifically to deal with the people who live in the member's region, and in the Atlantic region or in the northern part of Canada where work is seasonal.

This is part of the consultation process. They will be consulting with the people in Quebec and asking how this program suits its needs. That is a major portion of the consultation program and is what is so important. We are not just saying that what is suitable for my riding of Nepean, Ontario is suitable for the member's riding in the province of Quebec. Every riding is different and that is what is very unique about Canada. We are very unique not only in each province but as we move from region to region. This is what the program of reforms is trying to address, again through the consultation process.

Some students will not be able to afford to go to university if the tuition rates are raised. As Mr. Axworthy said on the steps of Parliament Hill the other day, he is not putting less money into education, he is putting more money into education. He is trying to ensure that students who do not have a university in their town—as my children did, as students in the member's area who have to travel to Rimouski to go to university—that funds are in place so they can go. The students of wealthy families should have a responsibility to support those in less wealthy families who are from less wealthy regions.

I firmly believe we are headed in the right direction. Obviously the consultation process is going to prove us wrong if we are wrong or prove us right if we are right. We are there and we are very much prepared to listen.

I thank you very much, deputy, for your two very good questions.

**The Acting Speaker (Mr. Kilger):** I would ask hon. members to please not refer to each other by name. Members of the House are to be referred to either by the member for *x* or the minister for *y*.

**Mr. Bob Ringma (Nanaimo—Cowichan, Ref.):** Mr. Speaker, I very much enjoyed the comments of the member for Nepean. She got into a narrow realm, as she explained, of unemployment and women.

I enjoyed as much the question from the member for Matapédia—Matane because he expresses, as a representative of a totally different part of the country, the particular concerns of that area. That is the value of the House of Commons. We must listen to one another. I hope the process will go forward with the review committee as they tour Canada and pick up all of these comments, all of which are valid. If we are to tackle the enormous problem of the debt and the deficit year by year, we badly need a review of the social spending that we are undertaking.

• (1240)

A leaked government memo indicates a need to reduce social spending by $7.5 billion. This demonstrates that even the Liberals realize the necessity of cutting in this area.

A quick look at where the government spends its money will show why we need to cut in the area of social spending. But unlike the member for Nepean who took a narrow view I, as the first Reform Party speaker on this subject today, would like to take an overview of the whole situation to set the scene.

We have a debt of roughly $540 billion at the federal level. Our deficit spending at this time is running at about $40 billion per year. This means we are getting ever deeper and deeper into debt. At the same time government spending annually is roughly $160 billion. One–quarter of that annual spending, roughly $40 billion, $39.4 billion goes to interest payments. This amount cannot be altered or reduced until we balance the budget. Think of it again, and I address this to the public in Canada, $40 billion a year alone in interest payments on our debt.

Another quarter of our annual spending, just over $40 billion, goes for government services. This includes the armed forces, foreign affairs, the RCM police, subsidies to business, multiculturalism, bilingualism, Parliament, the civil service among others. These areas must be drastically cut before we touch social programs. However, even if we cut this roughly 25 per cent of our spending to the bone, we can only save $8 billion to

$10 billion a year. The mathematics is there. It is just not enough to balance the budget.

The remainder of government spending, $79 billion, consists of transfers to the provinces and social programs. This spending has to be reduced by $12 billion to $17 billion if we hope to balance the budget in a number of years. That is an awfully big reduction.

Let us now look to see what the government is going to do to help address the whole problem. The finance minister brought down a lacklustre budget earlier this year. Not only were there few cuts but spending actually increased. Each day, as we are all aware, the government is spending $110 million more than it is taking in from revenues. We cannot go on doing that.

Despite these facts, however, the finance minister defended this weak fiscal plan and stated the government will have no problem in meeting its debt reduction target of 3 per cent of the gross domestic product as promised in the red ink book. The finance minister now admits his projections may be off and earlier this month informed the finance committee that cuts totalling more than $9 billion would have to be made over the next two years.

• (1245)

It is encouraging to see that the finance minister is finally beginning to realize the gravity of the situation. I suspect he is being pummelled by this country's financial institutions saying: "Minister, look at the reality". We have yet to see the finance minister's actions come close to matching his words.

Similarly, we must look at what action the minister of human resources has taken to tackle his share of the problem. His is a big share of the problem, no question.

For more than a year now we have waited for his social policy review paper. Instead of the action promised in the red ink book, all we have had until last month has been foot dragging. Given his reluctance to release the paper before the Quebec provincial election on September 12 it is surprising the minister even released the paper in advance of the promised Quebec referendum, but he did. This type of blatant politicking only serves to exacerbate the problem because it delays the move toward a badly needed solution.

Be that as it may we finally have the review paper. Looking at it however, what do we really have? So far that paper is nothing more than an eclectic grab–bag of reworked Liberal programs from the 1960s and 1970s along with a continuation of some Tory proposals.

The minister also denies that this process has anything to do with budget cuts. Well it surely has and it must. I do not think Canadians are fooled by this attempt to sugarcoat the truth. In fact, some Canadians might find the minister's sales pitch somewhat insulting.

We all know what the problem is. The real question is: How do we solve it? We solve it collectively in an open and honest way while ensuring that those really in need do not suffer. We must protect the people who need our help.

We have to eliminate the deficit by carefully reviewing all of the government spending including sacred cows like official languages and multiculturalism. Every time we mention that in this House we get bombarded that they cannot be touched. Well the time has come when we have to touch them and examine them in detail. We must ask ourselves if we are getting value for every dollar we spend and whether we can live without the program.

The process has to be done objectively and fairly treating all provinces alike and all individuals with compassion. Once we eliminate deficit spending we can begin to chip away at the debt. Only through this method can we ensure the continued viability of Canada's valued social programs. In the meantime it is obvious some cuts are needed in social spending but the big question of the day is where to cut.

We have heard a dissertation on unemployment insurance. Last year the program cost Canadians $20 billion. The minister's review paper talks about making this a two tier system, or simply making it harder to be eligible for benefits. I suggest that both of these proposals are nothing more than a continuation of Tory policies.

• (1250)

The unemployment insurance system must be returned to a true insurance plan. It must eliminate regional differences in qualifying periods, benefits and non–insurance components. This area alone could save roughly $5 billion.

The Canada assistance plan helps the provinces fund welfare programs at an annual cost of $8 billion. The government suggests this program be made more flexible to allow provinces to experiment. This may help the provinces. It may help to prevent some of the abuses of the welfare system but we are still going to be spending the same amount.

It may be better to cut much of this spending in favour of a new child tax credit which could be targeted at low income households. As I said earlier this whole process has to target those who absolutely need the help. We cannot afford to continue with the past approach of universality. In any event the new child tax credit would not only ensure the money gets to those who need it most, but it could also produce savings in the area of three to five billion dollars.

In the area of education the government is proposing a system in which RRSPs could be used to pay for tuition. Many years ago there was a registered education savings plan. This was eliminated when it was found to be ineffective. Therefore why does the government continue to believe that a failed program from the past can work today?

Instead of giving money directly to students and not through increased loans as the review paper suggests, how about doing it through a voucher system? That has been discussed in this House. It has merit and really should be looked at.

It would ensure that money is spent on education rather than just going into provincial general revenue funds. It would make post–secondary institutions more accountable and receptive to the changing needs of students and the job market. The savings would not be great but a more efficient use of current resources would be ensured. Education is an area we have to protect to the maximum degree possible.

The review paper does not talk about reforming health care. Health care costs Canadians over $70 billion each year of which the federal government pays about $15 billion one way or another. The health system is increasingly overburdened.

Reform stated during the 1993 election campaign that it would maintain transfer payments for health care at current levels. The medicare system in Canada is something I think every Canadian says we must have. It is of highest priority for protection. What do we have to do then? We have to experiment with ways to get more bang for our buck out of the health system.

This would mean allowing provinces more freedom to design their own health initiatives based on their own needs. The provinces are close to it. They are the ones who have to deliver the services. Let them make more decisions. While it is important in the health system for national standards to apply, those standards should not be so rigid as to disallow provincial experimentation, such as private clinics.

The Liberals decry this type of thinking claiming it will create a two tiered system, which is already a fact in Canada. Why do the Liberals think that is so terrible in the area of health yet they proclaim it as a possible saviour for unemployment insurance? This is an example of the type of double talk the government is becoming famous for.

• (1255)

I have only begun to touch on the many programs in Canada's social safety net and we have already identified about $9 billion in potential annual savings. I have also attempted to ensure that those who are truly in need of help are not adversely affected.

It is possible to save money in this area by carefully targeting where the money goes and rethinking the way we deliver these services. I hope the government has listened and continues to listen when my Reform colleagues add their valuable input over the remaining hours of this debate.

**Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.):** Mr. Speaker, I appreciate the opportunity to speak in the House today.

Six weeks ago the Minister of Human Resources Development released a discussion paper on social security in Canada in order to engender a lively debate across this country about what kind of social security system we want in the future. A debate should be based on facts not rumours and scare stories so let us make sure we all understand those facts.

We have created an excellent and highly accessible post–secondary education system in Canada but it is increasingly under pressure. Resources for everything are tight and there is a growing need for more access to the system. Our challenge is to ensure that we maintain and improve the system and broaden access.

First, why broaden access? Because there are three million people already in the workforce who want to improve and upgrade their skills in order to keep jobs. More and more people should be getting a post–secondary education. Of the new jobs created during the last three years 17 per cent went to people with university education. There were 19 per cent fewer jobs for those with less than high school.

Governments do not have any more money to pay for education. In fact most governments have less money to spend. The federal government is not proposing that we cut $2.6 billion out of the system as some people would suggest. Our proposal will put more in the system as I will explain.

Let us look at how education is paid for. Students pay about one–fifth of the costs of their college or university education through tuition fees. More than half of the students graduate without borrowing money or by borrowing very small amounts. Taxpayers pay about four–fifths or 80 per cent of the cost of post–secondary education, whether or not they personally benefit. That is a lot more than in most countries where students pay a larger share of tuition costs in recognition of the fact that they earn higher salaries and wages during their working lifetime.

Provincial governments are responsible for education, but the federal government pays half the costs for colleges and universities, about $8 billion a year. This currently includes $3.5 billion in tax points that allow the provinces to collect taxes for colleges and universities and $2.6 billion in transfers to provinces in cash. There is an additional $2 billion, mostly in support to university research and the cost of student loans through the Canada student loans program.

The $3.5 billion in tax points will always be there and it will keep growing. The tax points contribution will grow by an estimated $2 billion over the next decade, replacing the cash portion that will run out over the next 10 years.

• (1300)

Under the present system the cash will run out in about 10 years. Without extra government money it is likely that tuition fees will keep rising. That is why the government is considering an alternative, taking some of that cash before it disappears and using it to set up a permanent expanded student aid program. This would provide as much as $2 billion extra in student loans each year.

Under such a scheme the total amount of federal contributions to post–secondary education would increase by more than $10 billion over the next 10 years. Instead of leaving the system as it is now, which would put the federal government contribution at a total of about $60 billion over 10 years, it would be about $70 billion.

A new kind of student loans program would make it easier to finance education, not just for traditional students but for older Canadians who want to go back to school but do not qualify for student loans now. More people would be able to go to college or university. College and university fees could rise but it seems like a reasonable investment given the fact that university graduates' lifetime earnings will be 40 per cent higher than if they had not made that investment. That is about one–quarter million dollars more.

In addition if we were to make the replacement of student loans contingent on earnings after graduation, students would have a guarantee that their investment in learning will not burden them with impossible loan payments.

These are the ideas we have put forward for discussion. Canadians will have an opportunity to respond. They can fill out the work book which we have available for all Canadians to have their say on the reform of social programs. The booklet is available in postal outlets, Canada Employment Centres, YM–YWCAs and many grocery stores or by calling the toll free 1–800 number.

Social security reform affects all Canadians. The government encourages open debate to find the best solutions to take us into the next century.

[*Translation*]

**Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ):** Mr. Speaker, first of all, I am pleased to rise today and speak on the social reform issue, which I believe will be of great significance during the coming months for a number of reasons.

I would like to take a moment to demonstrate that the Liberal government is facing an unsurmountable problem, trying desperately as it has been for the past year to defend the Constitution. I am referring of course to the federal system as we know it, this system that the Prime Minister described as profitable federalism over a decade ago.

In fact, this profitable federalism that we keep hearing about without ever seeing any results, this much–vaunted profitable federalism has no room left to move because it is throwing everything in reverse as we will see later. And there are only two ways out the deadlock for the federal system: to tax the middle–class to excess or cut social services.

This is the context in which I think the social reform proposals before us must be seen. While the previous government, a Conservative government, became famous mainly for increasing the tax load of middle–income earners, the present Liberal government seems to want to make a name for itself with social service cuts affecting first and foremost the less affluent.

All of this boils down to what was described as the vicious circle in which the Canadian economy is trapped. You start by overtaxing middle–income earners, thereby reducing their buying power which in turn forces them to change their consumer habits and definitely buy less. This results in fewer jobs and higher unemployment. The low–income population is growing at the expense of the middle–income one. The decline in employment causes the government's tax revenues to drop as well.

• (1305)

Similarly, since unemployment and social assistance costs are going up, the government must spend more. The deficit is growing every day, while the government's manoeuvring room is getting narrower.

Faced with this situation, the well–off often transfer their assets to other countries before it melts away here. Again, this eliminates jobs, raises the unemployment rate, cuts government revenue and increases public spending, which in turn narrows the government's room to manoeuvre.

To address the problem, the government has decided to reduce its services. In this regard, this government is not so different from the former Conservative government, since its proposed social reform reflects the philosophy behind the various UI reform initiatives put forward by the Tories when they were in power. To be convinced of this, one only has to look at the main elements of this reform. First of all, the government has created two classes of unemployed: the occasional UI claimants and the frequent claimants. We may well ask ourselves if the workers now benefiting from the infrastructure program put in place by the government last year will become frequent or occasional claimants when they lose their short–term jobs.

Since it creates these two classes of unemployed people, the government also creates two classes of benefits: basic insurance and adjustment insurance, as it is called. Basic insurance is for occasional claimants. It is pretty much the same as the present system which the government finds inadequate. In the second case, adjustment insurance, the government perpetuates the vicious circle of the Canadian economy which I mentioned earlier.

In fact, the reform of social programs which the government has presented to us provides no real policy to stimulate employment. So one may well ask what claimants of adjustment insurance can adjust to.

To deal with this situation, the government intends to require frequent claimants to do community work or take training courses in order to qualify for benefits. We see how ridiculous the situation is, because these are bandaid solutions. Once these unemployed people have completed their community work to which the Department of Human Resources Development will assign them, they will all return to unemployment as even more frequently unemployed, since in the mean time the government will have provided nothing to stimulate employment.

So we go from one vicious circle to another, making the unemployed pay for this government's lack of initiative when it comes to job creation. However, this little game is just fine in the context of the vicious circle prevailing in Canada. First, the government no longer has any margin. Consequently, it forces the unemployed to participate in new employment expansion and development programs. So as to lower their production costs, companies use these programs to hire workers whose salaries are lower, and therefore competitive with those already being paid.

Consequently, in the medium term, well–paying jobs become more and more rare, thus reducing even more the purchasing power of the middle class. Since employment income tends to diminish, it results in lower tax revenue for the government, which then has even less of a margin. The result is that the government must make new cuts in services to meet its budget goals. And the vicious circle starts all over again for the Canadian economy.

The introduction of this social program reform by the Liberals only confirms what the majority of Quebec voters figured out last year: To vote for the Liberals or the Conservatives was just the same. The Conservatives overtaxed the middle class, while the Liberals will cut aid to the poor. At least one Liberal MP, the hon. member for York South—Weston, recognized this when he said that, during the ten years that the Liberals formed the Official Opposition, they accused the Conservatives of reducing the deficit on the back of the poor, but that they were now doing the same thing.

• (1310)

It is useless to vote for a party that supports a constitutional framework that is dragging us down into bankruptcy. The problem is that all this is being done at the expense of the vulnerable in our society. The rich are never affected by these reforms. To illustrate my point, I may refer to a letter sent recently by a Liberal member, the hon. member for Gander—Grand Falls, to the Minister of Finance. In this letter, which was published in the media either yesterday or today, the hon. member said, and this was to the Minister of Finance, that he was particularly upset about the shocking and immoral deductions allowed as entertainment expenses, for instance, the purchase of $200 bottles of wine, cruises, escort services, and so forth. What is the hon. member for Gander—Grand Falls actually saying?

Every year, one of my neighbours in my riding, Mr. Tremblay, has one or two corn roasts for his friends. He buys corn, of course, some wine and some cake, and he entertains his guests. Of course, Mr. Tremblay does this at his own expense. Meanwhile, large corporations entertain their guests, serving cocktails, petits fours and champagne, and that is tax deductible. Who is paying? Mr. Tremblay, through his taxes. So Mr. Tremblay is paying for everyone. That is why corn is expensive, and that is why it is so expensive to be poor.

In his letter, the hon. member for Gander—Grand Falls estimated that amounts spent on wine, petits fours and champagne were costing the government $200 million.

The hon. member, who did some research at Revenue Canada, also pointed out that forward averaging of taxes by companies now amounted to nearly $40 billion. Forward averaging refers to amounts that are payable but may be spread over subsequent returns. Nearly 1,200 companies recorded profits of at least $1 million without paying a cent of income tax, according to the hon. member. In concluding, he said more or less the following: As the minister can see, the $9 billion he is looking for could be found by collecting the taxes that should have been paid by companies on their profits.

I agree with the hon. member of the Reform Party. I think that before cutting social services, we should first get the money that is out there so that we have some degree of social justice. Where are we heading, politically speaking? I am sorry to put it this way, but I really think we are starting to look like a banana republic. A banana republic is not a republic where people pick bananas. It is a republic where the people who pick the bananas do not grow them. This means a republic with only two classes: the poor and the rich. The rich always get richer and the poor get poorer. If this proposal is passed, as it will be within the next few months, we will witness the undeniable signs of "bananization". Obviously, we cannot support this reform package.

[*English*]

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, I listened to my colleague's remarks with great attention, particularly his comments about social services reform in the context of federalism.

We are all agreed, in the House and in the country at large, that the previous government, because it concentrated so much on constitutional issues, left our house in a state of great disorder not only in the accumulation of debt but also in failing to address these very crucial problems of social security reform.

I would like to suggest to the member opposite that we now have exactly the same situation. We have another leader in Canada pushing a constitutional agenda which will take us away from the focus on necessary reforms involving social services and reducing the debt. I suggest to the member that person is Mr. Jacques Parizeau. I wonder how he can explain that Mr. Parizeau is not directing us away from where we should really be looking, that is looking after Canadians, finding jobs and increasing the benefits in the economy.

• (1315)

[*Translation*]

**Mr. Pomerleau:** Mr. Speaker, I think that we will indeed have to pay increasing attention to the Constitution in the months to come. Sadly, this problem could have been resolved a while back, if only the Charlottetown agreements had been passed. We know what happened to these agreements that put at end to the negotiations between Quebec and Canada.

Quebec said no to the agreements, and so did Canada. This means that very soon the people of Quebec will have to choose between taking Canada such as it is and building a new country in Quebec. We have been expressing this need of ours for greater self–reliance to the rest of Canada for 125 years, and no effort was spared during these 125 years. But apparently, no one can find a solution to this problem.

The only solution that seems fair to us consists in building a country in Quebec and letting Canada develop as it pleases, according to its own interests. Basically, Canadians would decide what they want to do and how they want to do it, while we would do the exact same thing in Quebec.

As for employment development, let me tell my hon. colleague that it is not by making massive cuts on the backs of welfare recipients that you boost job creation. I think that, with or without Quebec, a comprehensive tax reform is required—and I firmly believe this—in Canada. Unfortunately, if this is not done, Canada, with or without Quebec, will face huge difficulties in the years to come, because the low and middle–income class will get poorer and poorer. The Prime Minister himself once said that $1 million knows no language barriers and moves quickly. Some people will move their assets out of Canada and we will go through very hard times.

[*English*]

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Mr. Speaker, I think the terminology I heard was bananas, and that is absolutely right. Bananas, I repeat it.

I read a little quote: "A strong economy is the essence of a strong society. My government will focus on a jobs and growth agenda. We will work with all our partners, provincial governments, business, labour, voluntary groups and individual Canadians". That is a quote from the Prime Minister of Canada.

I could carry it on a little further by referring to the opening of the green paper: "My commitment is to listen and to work with all Canadians, different governments, groups, organizations, so that we can develop in partnership a framework that makes sense, is effective and is founded on basic Canadian values of compassion and justice. And I invite you to join in the discussion and debate".

The point is that the green paper tabled by the minister is a consultation paper. The minister has pleaded with with the party across the way in the opposition to participate. There certainly are some alternatives laid forth in the green paper. At the same time the minister has been very open time and time again: if there is a better suggestion, a better idea, a better alternative, come forward with it. He is open to discussion; he is open to points of view on this subject matter.

As a matter of fact he has gone out of his way to invite all Canadians to participate. It is important to people from the province of Quebec. It is important to people from the province of New Brunswick. Indeed it is important for all Canadians. This is your opportunity, members of the opposition party, to focus on citizens in the province of Quebec and have them come forward.

• (1320)

Why is the approach not to get these points of view across to the minister? I know he is open to them.

**The Deputy Speaker:** Before recognizing the member, I would ask all members to put their remarks through the Chair. It is designed to keep the pressure down in here; it is not just because we have to have everything addressed to the people who occupy the chair.

[*Translation*]

**Mr. Pomerleau:** Mr. Speaker, we have examined closely the famous green paper and we have made comments up to now. We believe essentially that the minister focuses mainly on social program reform. In doing so, he forces people to consider this reform. He starts by saying that the problem in Canada comes from small and medium–income people and that this is where savings can be made because the problems come from that group.

Besides, the Prime Minister himself did not hesitate to refer to these people as beer–drinking couch potatoes. What we say is

that there is indeed a problem in Canada and whether Quebec stays or not, Canada will have to go through a complete overhaul of its taxation system but the reform must start at the top. We must start with those who use these expenditures for their own benefit, those who pay no income tax. Billions of dollars are involved here.

I quoted earlier the Liberal member for Gander—Grand Falls who has studied the matter, as did many others. I believe we are open to discussion. As we have been saying since we came here, we should open the books to Canadians, not only the third chapter, not the first, all the books. We agree with that.

[*English*]

**Mr. John Finlay (Oxford, Lib.):** Mr. Speaker, I listened with interest to the hon. member but I found an air of doom and gloom in his scenario. I would suggest that the nature of work in many respects has changed. A lot of people work successfully at home and on flex time. A lot of people volunteer and do a lot of work.

We have to face the fact that some people who work at lower salaries and pay their taxes are getting a little tired of waste and of those who abuse the system. However we are not going to solve the problems by attacking only those who abuse the system, because the system patently does not work well enough in this age.

What is wrong with someone asking for some community service work from frequent users of the UI program, which is supposed to be an insurance program and not a welfare program? What in the world is wrong with requesting people who receive something to do a little something in return, or at least to take responsibility within their community to assist in cleaning it up, in it being better run or perhaps assist seniors and children?

Would my friend care to explain how if we did that it would somehow, as he suggested, impact upon better paying work, upon more higher paying jobs? I do not see it.

[*Translation*]

**Mr. Pomerleau:** Mr. Speaker, the hon. member has just told us that the system is abused—I fully agree. There is abuse at all levels, that is what we mean. We must not consider only how people at the bottom of the scale abuse the system. The system is also abused by people all the way to the top.

Our position is extremely clear and is illustrated by a colourful image: when you want to clean a staircase, you clean it completely, not just the bottom step or the two lowest steps. You start at the top and work your way down. The Bloc Quebecois fully agrees with the government on that point; we are prepared to open all the books and review them in public. That is all I had to say on the question.

**The Deputy Speaker:** I must inform hon. members that the hon. member for Ottawa—Vanier has advised me in writing that he is unable to present his motion during the time provided for Private Members' Business on Monday, November 21, 1994.

• (1325)

[*English*]

It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 94. Accordingly I would request the table officers to drop that item of business to the bottom of the order of precedence.

[*Translation*]

The time provided for the consideration of Private Members' Business will therefore be suspended and, pursuant to Standing Order 99, the House will meet at eleven o'clock on Monday morning to consider Government Orders. I am very sorry about this, hon. members.

[*English*]

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, I wanted to add some comments to the debate because it is a very important one.

When we look at the social safety net and its origins all members in the Chamber would agree it essentially a Liberal creation. In the post–war years there were successive Liberal governments. There was a period when we had a Conservative government under John Diefenbaker. However I think the Liberals, particularly those under Prime Minister Pearson, can take credit for many of the social safety net reforms we have today.

There is no doubt anything that is put together will eventually develop flaws and difficulties and will be subject to change and reform. What has happened here and the reason why we are having this debate right now is that reform of the social safety net is long overdue, not just because we cannot afford it but because it is not working as well as it should.

I would not like to discuss the reforms in detail in this debate, but my experience in the last month has been that Canadians are ready for the type of debate and the type of reforms being contemplated now. We do not know what the final answer will be on unemployment insurance. We will have to see. It is a very contentious issue. However we have to address it and Canadians are ready.

I can give a couple of examples. Every year there is a very popular fall fair in my area. This is typical of the ridings of most MPs; they have fall fairs in their ridings. I took the green paper of the Minister of Human Resources Development to the fall fair and sat it on a table there. In the course of two days I gave out 200 copies of it.

People would come up to me and ask: "What is that?" I would say: "You have to read this because it is something that is going to affect every Canadian". People from all walks of life at the fall fair took the paper, promised to examine it, read it carefully, and send in their reactions.

I now have in my office at least 300 replies, not all of them sophisticated papers from special interests groups about which the Reform Party and perhaps myself love to talk from time to time. They were ordinary Canadians reacting to a very important initiative by the government, one that has to be debated thoroughly not only in the Chamber but in the community.

I took the green paper one step further. Once a month I have a cable TV program. I use it as an open line show. A local journalist comes down. It is quite interesting. Actually it is a lot of fun to do because there is no pre–preparation; we do not work out the questions beforehand. We simply sit there and talk and people call in.

People often think that cable TV is not well watched but I can assure the House that this program is very well watched. I had a tremendous response. The lines were flooded, particularly on the subject of the social safety net or reform of our social systems. I had all kinds of people call in, but the most compelling people who called were are on welfare, the people who are the beneficiaries of the system or are seen to be the beneficiaries of the system but are also the ones who are losing the most by it. One person called in and identified herself as a young single woman on welfare with a child; I cannot remember whether she had one or two children. She said that she felt terribly trapped.

I conclude by saying that the debate we are engaged in, whether in the House or in society, is one of the most important debates of this Parliament.

• (1330)

[*Translation*]

**The Deputy Speaker:** It being 1.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed in today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[*English*]

### LESTER B. PEARSON ACT

**Mr. Janko Perić (Cambridge, Lib.)** moved that Bill C–276, an act respecting Lester B. Pearson Day, be read the second time and referred to a committee.

**Mr. Gagliano:** Mr. Speaker, I apologize to the hon. member, but I want to raise this point of order at the beginning of this hour concerning private member's bills because I want to make a very important point.



Since the beginning of this Parliament we have had a system where a subcommittee of the House decides which private members' bills are votable or not votable. However, there is a tendency in the House for members at the end of the debate to ask for unanimous consent for a bill which is not votable, such as this one is today, to become votable.

From the government side, it is our responsibility to make sure that the rules are respected. If members feel that all private members' bills should be votable, that question should be addressed to the House committee on procedure instead of making the point each time. In this case, even though we would like the hon. leader, Lester B. Pearson, to have a national holiday, the government definitely cannot support such an idea.

**The Deputy Speaker:** No such motion has been made on this bill. There may have been discussions between the minister and the member, but as much as possible this hour is reserved for private members, not for statements of government policy.

**Mr. Janko Peric (Cambridge, Lib.):** Mr. Speaker, I am pleased to rise today to debate the merits of my private member's bill entitled an act to establish Lester B. Pearson Day.

The purpose of my bill is to establish a national holiday in honour of the Right Hon. Lester B. Pearson in recognition of his great contributions to Canada and the international community. In short, I have proposed that the second Monday in February of each year be designated as Lester B. Pearson Day for reasons which I will outline in my comments.

While I am certain that members are familiar with the many achievements of this great man, I feel it was important to state some of his accomplishments for the record. Although Lester B. Pearson, often known as Mike Pearson, served as Canada's Prime Minister from April 22, 1963 to April 20, 1968, he began serving Canada long before moving into the Prime Minister's office.

Prior to joining the department of external affairs in 1928, Pearson served in the Canadian Army Medical and Flying Corps from 1914 to 1918. As a diplomat with external affairs, he held several senior posts abroad, including first secretary to the Canadian High Commission in London from 1935 to 1941 and eventually became Canadian ambassador to the United States in 1945.

These high profile diplomatic posts contributed to his recognition on the world stage and propelled him to the chairmanship of the North Atlantic Treaty Organization between 1951 and 1952 and then to the presidency of the United Nations General Assembly in 1952.

While Lester Pearson was well known on the international scene, it was really in 1957 that he became a household name. On October 14, 1957 Lester Pearson was awarded the Nobel peace prize. To date he is the first and only Canadian to receive the peace prize and I am really proud of him.

• (1335)

The Nobel committee voted to bestow the peace prize on Mr. Pearson primarily because of his role in the Suez crisis of 1956. In an effort to resolve the crisis between Egyptians and Israelis, Pearson proposed the creation of a UN military force to act as a buffer between the belligerents. His proposal received overwhelming approval, 57 for and none against. The first modern UN peacekeeping force was established, thanks to Lester B. Pearson.

Gunnar Jahn, the chairman of the Nobel committee later stated that Pearson had been awarded the peace prize because of his "never tiring determination and his exceptional ability to put forward constructive ideas for the solution of problems".

Others would echo those comments, including UN General Assembly President Leslie Munro, who described Pearson as a great Canadian who is one of the foremost citizens of the world. The New York *Times* reported that Pearson was: "A big man from a country that is a small power" and that he was probably better known abroad than at home. Pearson's victory prompted Toronto Mayor Nathan Phillips to declare December 19, 1957 Lester Pearson Day. Unfortunately I do not believe the tradition has been continued.

Pearson's success on the international stage and his receipt of the Nobel peace prize finally helped him to get the recognition he deserved in his own country. Canadians began to take notice of him and in 1958 Lester Pearson became the leader of the Liberal Party. After a few years in opposition, he went on to become the Prime Minister of Canada in 1963.

In addition to his success on the international stage, Pearson also accomplished a great deal as Prime Minister. During his tenure Canadians were given the Canada pension plan, a program central to our nation's social safety net. Pearson was also responsible for giving Canadians a national flag, a true symbol of our nationhood and independence.

Other notable achievements include the Royal Commission on Bilingualism and Biculturalism and the Canada–U.S. automotive agreement, both of which have had a significant impact on Canadian life as we know it today.

Although Lester Pearson left this earth on December 27, 1972 his legacy lives on in world peacekeeping. Canada is a peacekeeping nation because of Mr. Pearson. We are proud of our record as world peacekeepers and in fact many believe that peacekeeping personifies what it means to be Canadian. To date, more than 90,000 Canadians have participated in UN and other peacekeeping missions.

As of this fall, close to 3,000 Canadian peacekeepers were participating in missions around the world, including a significant number in Croatia, Bosnia–Hercegovina, Haiti and Macedonia.

If the recent report of the Special Joint Committee on Canada's Defence Policy is any indication of our commitment to peacekeeping, we can plan on being in the business for many more years to come. Canadians have more often than not failed to honour those individuals of whom they are most proud. A quick review of all of our national holidays show there is not one holiday, with perhaps the exception of Remembrance Day, which pays tribute to a truly remarkable Canadian.

• (1340)

Although I can understand why we celebrate Queen Victoria's birthday and many other of our statutory holidays, I have never been able to understand why we cannot pay tribute to our own heroes, to those who have had a significant impact on Canadian life as we know it, like Lester B. Pearson.

Unlike Canada, many other nations take time to pay tribute to their heroes. The Americans celebrate George Washington's birthday; the British celebrate their monarchs and the Russians once had a holiday to honour Lenin. Is it because we feel there is no one worthy of our recognition? I say not.

Some have asked me why in my bill I have chosen the second Monday in February as a day on which to honour our former Prime Minister. Originally I had hoped to select a day of significance to the life of Lester Pearson. I considered April 23, his birthday, but of course Easter is in April. Then I thought of October 14, the day it was announced that Pearson had won the Nobel peace prize, but Thanksgiving is too close. Then I considered December 27, the day of his death, which falls extremely close to Christmas and Boxing Day.

I opted for February, the one month of the year that Canadians do not get a break and the month that most Canadians find to be the coldest and most depressing month of the year. A few years ago some statistics indicated that a majority of suicides take place in February, leading me to believe that Canadians really need something to look forward to in the second month of the year.

I also opted for February because I felt that having two or more holidays in April, October or December might pose an excessive burden on those Canadians that operate businesses.

I have also been asked by some members whether this bill is political in nature because Pearson was a Liberal. I want to assure all members that politics was not behind this initiative. This man was a great Canadian. As stated earlier, he is the only Nobel peace prize winner from Canada. He is the father of international peacekeeping. I simply want to honour a man who

has given so much to the people of this nation. I want to pay homage to a great Canadian and his political stripe has nothing to do with it.

At this stage in our history when many Canadians are asking themselves what it truly means to be a Canadian and some are even asking whether they should continue to remain in Canada, we must make every effort to show our citizens there are Canadians of whom they can be proud, Canadians who have made a difference to their lives today and to the lives of many people around the world.

Lester Pearson is such a Canadian. By enacting a national holiday to honour the Right Hon. Lester Pearson, we would be providing Canadians with a day to reflect on this great country of ours and on this great man and his valuable contribution to our nation. Let us bring a little bit of nationalism and pride to Canada that it truly Canadian in nature. Let us honour one of our own heroes for a change.

I will wrap up here because two of my colleagues who were privileged to know and work with Lester Pearson are anxious to share their experience and thoughts on this great man.

• (1345)

In closing, I would urge all members to support this initiative.

[*Translation*]

**Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ):** Mr. Speaker, I am pleased to rise today on behalf of the Bloc Quebecois to support Bill C–276, An Act respecting Lester B. Pearson Day. This is a perfect opportunity to take a look at the life and career of an illustrious man, who was Prime Minister of Canada from 1963 to 1968, and who made a remarkable contribution to Canadian diplomacy.

After a brief military career, Mr. Pearson joined the diplomatic circuit. It is there that, from 1935 to 1946, he developed his exceptional skills in foreign policy and gained a solid reputation at the international level. After being Deputy Minister in 1946, and then Minister of External Affairs in 1948, Lester B. Pearson was well prepared to face the new challenges which awaited Canada in the post–war era.

As the architect of the new Canadian foreign policy, he helped our country gain full status at the international level. The long tradition of Canada as a passive observer on the international scene was over. After the Second World War, our country had become a middle power. Pearson understood more than anyone else that Canada had to adopt a distinct and more independent foreign policy with its traditional partners, Great Britain and the United States.

Consequently, he opened the door to multilateralism and imposed an expansionist vision of Canadian foreign policy. This resulted in Canada joining and actively participating in new international organizations such as the UN. For a peace proponent like Pearson, Canada's involvement in such an organization was crucial for his foreign policy.

However, there were limits to what the United Nations could do. Taking into consideration the Cold War and the fact that no international authority could ensure order and stability on a world–wide basis, Pearson, then deputy minister of External Affairs, believed that Canada needed to join forces with its strategic allies under a collective defence pact. Pearson thought that, by signing the North Atlantic Treaty, Canada's security needs were being met, but also that NATO would become a deterrent and a defence instrument against Soviet imperialism.

Guided by an international vision quite rare in North America at that time and having taken stock of the events in Prague in 1948, Mr. Pearson unreservedly supported the creation of this organization in 1949. However, the North Atlantic Treaty remains a regional agreement. Since 1945, international relations have been marked by new forms of violence. All of the ideological confrontations between the super–powers and the decolonization process, led to many conflicts throughout the world.

Obviously, the Charter of the United Nations cannot prevent war, since the veto of the five superpowers sitting on the Security Council limits the scope of the activities of the international community. To counter the powerlessness of the only agency of the United Nations authorized to use coercion to settle international conflicts, the General Assembly passed a resolution concerning peacekeeping in 1950.

In 1956, during the Suez Canal crisis, Mr. Pearson proposed that a peacekeeping force be set up. The UN having implemented his recommendation, Pearson was awarded the Nobel Peace Prize in 1957. In fact, he had provided the United Nations with a new response capability. As a result of his international reputation, Lester B. Pearson was twice approached to fill the prestige position of Secretary General of the United Nations. In 1952, he had been president of the UN General Assembly, playing a pivotal role in the creation of specialized agencies like the UN Food and Agriculture Organization.

• (1350)

During his term as Prime Minister, when decolonization and the emerging non–aligned movement were important elements on the international scene, Pearson became known as an eminent artisan of the North–South dialogue. He was in favour of an open policy vis–à–vis the Third World and enjoyed a privileged relationship with leaders like Nehru.

His vision of Canada and the federal system would reflect the same open attitude. Pearson was on very good terms with Quebec and the other provinces during his first mandate.

It was the time of the Quiet Revolution, as the Quebec nation State was emerging. Political leaders in Quebec were developing the tools the new State would need to affirm its right to exist. Quebec was to recover jurisdictions recognized in the Constitution Act, 1867, but never claimed by Canada's provinces.

At the time, Pearson agreed that Quebec was justified in its insistence on some of these rights, and until 1965, he was on excellent terms with his Quebec counterparts, so that negotiations with the province were relatively harmonious.

Pearson was in favour of co–operative federalism and, to show that he meant what he said, after he won the election in 1963, he appointed the Laurendeau–Dunton Commission on Official Languages. Under his government, federal–provincial negotiations led to a number of administrative agreements and also, although there were some problems, to the creation of the Quebec Pension Plan and the Caisse de dépôt et de placement.

It is hard to understand the complete reversal in Mr. Pearson's attitude to Quebec during his second term. He went so far as to deny Quebec's international personality and to see the province's attempts to create ties with other nations as those of a rebellious province intent on usurping powers that he felt were exclusive to the federal government.

It is amazing that this passionate defender of decolonization throughout the world was so unwilling to entertain Quebec's aspirations. What made him suddenly become impervious to the legitimate demands of a province that wanted to claim the jurisdictions to which it was entitled? Some attribute this to the rise of the indépendantiste movement in Quebec or to new constitutional demands being made by Quebec leaders. At the time, it was Daniel Johnson, with his "Égalité ou indépendance". Some say it was due to the increasing influence of Trudeau, Marchand and other members of his cabinet.

After Lester B. Pearson, Canada–Quebec relations were never again as harmonious as they were before. After the Victoria fiasco, the night of the long knives in 1982 was to lead to Meech and Charlottetown. Despite some shadow areas, Lester B. Pearson was a man of great stature, that is how Canadians and Quebecers remember him. However, it is unfortunate that his successors either failed or refused to continue his tradition of openness and his conciliatory approach.

We can only hope that Lester B. Pearson Day will remind men and women in Quebec and Canada that openness and respect for diversity are qualities that are essential to the individual and the national maturity.

[*English*]

**Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.):** Mr. Speaker, it is indeed a pleasure today to second the motion of the hon. member for Cambridge as he brings in his Lester B. Pearson day bill. I congratulate him and compliment him to the nth degree on his recognition of Canadian statesmanship. This is the hon. member's first term in this Parliament and this bill is a good example of his national and international vision. I am sure that he will have a long stay in this place.

**Some hon. members:** Hear, hear.

• (1355)

**Mr. Hopkins:** He has a national spirit that he is projecting today in this bill. He has stated he is proud of Lester Bowles Pearson.

I compliment the hon. member for Laval Centre for some of her remarks. Some of them I would not agree with. Everyone has their own perspective. As I speak I am not going to be partisan in this debate either. Lester B. Pearson was Prime Minister sitting just down here when I was first elected. He was my first Prime Minister. He did not have a mean bone in his body. One could fully understand sitting in this House with the Right Hon. Lester B. Pearson that he was a diplomat from day one.

Indeed, that caused him some of his heartaches during the time he was Prime Minister. He was too kind to some people who were not very kind to him.

Having known Mr. Pearson on a very personal first name basis, I had great respect for him. I was one of those first elected in 1965, that great election that Walter Gordon persuaded Lester B. Pearson to call. The only benefit the Liberal Party received from that election was the 53 of us who were new to the House of Commons. When the election was called at the advice of Walter Gordon to the Prime Minister, the Liberal government in this House had 129 seats and when the final count was in on election night the Liberal Party had 131 seats. Walter Gordon had promised Pearson a majority government. He resigned from the cabinet because he had given the Prime Minister bad advice.

When we look at the background of Mr. Pearson's life he had a very happy childhood. One thing that really strikes me, as the hon. member for Cambridge mentioned, was Mr. Pearson's experience in World War I. Can you imagine what the Royal Flying Corps in Europe looked like in World War I? Mr. Pearson was a member of that flying corps for three years.

This undoubtedly was a great experience for Prime Minister Pearson. It prepared him for the great flag debate of the 1960s which to him at times must have reminded him of World War I but he persevered through that battle.

It is rather interesting that the hon. member for Cambridge suggests that Lester B. Pearson day should be the second Monday in February because it was in the month of February that the Canadian flag was first unfurled, I believe, on Parliament Hill. It is very fitting that Lester B. Pearson who led the debate for a new Canadian flag should be honoured in the same month as the Canadian flag is honoured today.

This rather timid man had many accomplishments. When you first met him he was very pleasant and accommodating. He would always talk to you about things in your riding. It gave you that feeling that this man really knows his country and his local geography.

I remember the last time I had a chance to have a chat with Mike Pearson. It was one day after he retired. He was ill at the time. He was out for a walk. I met him at the flame on Parliament Hill. His first words to me were: "Well, Len, how are things in Pembroke today?". We had a nice chat there. Then he went into hospital. It was not long after that that he passed away. Here is a Canadian who gave Canada its flag. Today our Canadian forces honour his name in the way they carry the Canadian flag around the world and when they take part in peacekeeping duties which as has already been stated he originated in settling the Suez crisis and the peacekeeping mission of 1956.

• (1400)

Here was a man with immense ideas. This man when he was in external affairs had a national, indeed an international vision. He looked at the Soviet Union and saw the threat sitting in the east. He saw the threat when the Warsaw pact was formed. He saw the need for a North Atlantic Treaty Organization. To a large extent he was a formative builder of that great peace organization that saw the western world through the cold war crisis. It was the match for the Warsaw pact. It held the enemy at bay. It was a matter of which side went broke first. It turned out to be the Soviet Union and the Warsaw pact.

He was president of the United Nations in 1962–63. I was looking up the date of Mr. Pearson's first formal election to this House. He was appointed Minister for External Affairs in 1948. Is it not ironic that on October 25, 1948, Lester B. Pearson became the member of Parliament for Algoma East and came to Ottawa and carried on his duties as Minister for External Affairs. He won that election by 1,200 and some votes.

The hon. member for Cambridge mentioned the lack of Canadians' enthusiasm and desire to recognize their own national figures. Here was a national figure, a man who had played a major role in the founding of the United Nations. This was a man who had played a role in the founding of the NATO alliance. He came back home and ran for election and won the election by 1,200 and some votes.

Then we go on to the election campaign of 1958. I particularly like to look back on that election for one reason alone. That is that the last political meeting Mr. Pearson had in that famous campaign of 1958 when he was slaughtered politically by the Diefenbaker forces was held in the town of Deep River in my initial riding of Renfrew North. It was before an audience in the high school auditorium. He sat on a table in the middle of a platform dangling his feet and answering questions like they were rolling off a log. He knew he was going to lose the election, but he was so candid and at ease. He came back to Ottawa and ended up with 48 seats in this House for the Liberal Party of Canada.

In 1963 he finally won the election as Prime Minister. There were all kinds of issues to be faced during the 1960s. It is much like today when every time we turn around there is a new issue facing members of Parliament. Lester B. Pearson took on many of those challenges.

He realized that Quebec no longer wanted to live under British symbols. That was very clear in his mind. That was the reason he put forward such a fight for the Canadian flag. The Quebec caucus strongly supported him on that issue all the way through even when the going got very difficult. Today Canada is known around the world by that great Canadian symbol that first flew over Parliament Hill in February 1965. That was one of his ideas of Canadian unity, but he reached out to all regions of Canada to try to bring them together.

• (1405)

Mr. Speaker, I wish I could continue. You are giving me the signal that my time is up.

I would like to talk about being with Mr. Pearson in caucus without giving away any major caucus secrets. I remember one morning I was delivering a speech in caucus. I came into—

**The Deputy Speaker:** Is there unanimous consent for the member to have one or two more minutes?

**Some hon. members:** Agreed.

**Mr. Hopkins:** Thank you very much, Mr. Speaker, and I thank the members of this House.

On a Wednesday morning in caucus I delivered what I thought was a great dynamic speech. After that I was sitting in the House right over there in the back row where the hon. member for Brandon—Souris is sitting right now. A note was sent to me across the floor from the opposition. That note from a member of the opposition contained the exact words I had stated in caucus that morning.

I sent the note down to the Prime Minister and the Hon. Mitchell Sharp who were sitting together. They turned to me and shook their heads because the first thing that came into their minds was that members of our caucus were leaking information. Actually that was the period when the Liberal caucus room

was wired and certain members of the opposition were listening to every word that was being said in the Liberal caucus room. They sure had my speech right.

Mr. Speaker, I want to thank you for allowing me that extra time. I thank the hon. member for Cambridge for recognizing a tremendous individual. One of the reasons that made him great was that he had some great people around him.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, I cannot give you any personal descriptions of Mr. Pearson, but I too welcome the opportunity of speaking to Bill C–276 concerning Mr. Lester B. Pearson day.

Certainly to establish this as a holiday in honour of former Prime Minister Lester B. Pearson is something to be considered, but today I want to raise some of the other considerations that we must have when we talk about such a day. As well, I do hope to pay some tribute to the former Prime Minister because it certainly is worthy.

It is clear from the member's speech that he holds the former Prime Minister in very high regard. I would never fault him for this since Lester Pearson did indeed leave the country a considerable legacy. I will talk about this a little later on in my speech and emphasize the things I remember him for.

To my mind politicians such as Mr. Pearson entered the public service for many reasons. At least two of those would be to help Canada grow and mature as a nation and because they were fascinated by the public life and all it had to offer and what they could offer it.

I do not believe when he ran for the job that Mr. Pearson would have expected to have a Canadian holiday named after him. After doing some research on him I think possibly he might have been somewhat embarrassed by such an offer. There are a number of better ways to honour the memory of a former Prime Minister.

For example everyone who tours around the Parliament Buildings will have noticed the dignified statues of our former Prime Ministers prominently displayed on the grounds of the Hill. Mr. Pearson's statue is among them and Canadians visiting the capital will see him in his favourite chair overlooking the front lawn.

• (1410)

As a former Minister of External Affairs and Prime Minister I am sure Mr. Pearson would also be proud that the building which houses the Department of Foreign Affairs bears his name, the Lester B. Pearson building.

These types of displays and other similar ones that may be proposed are quite appropriate and do a very nice job of honouring the achievements and memory of Mr. Pearson. I believe they are also a sufficient tribute.

On the other hand a Canadian holiday in honour of Lester Pearson is excessive no matter how well intentioned and sincere my esteemed colleague from Cambridge may be. As I quickly ran through the holidays in my head I found that only Jesus Christ and Queen Victoria had a statutory holiday and only two saints, St. Patrick and St. Valentine, had named holidays.

Coincidentally the second Monday of February which my colleague would like to be known as Lester B. Pearson day would have fallen on St. Valentine's day this year. Not only would I suggest naming a national holiday after a politician would be excessive but the date suggested will frequently fall on another holiday, albeit not a government holiday.

It is my understanding that the member for Cambridge would like to see a statutory holiday for Mr. Pearson just like the other two we have mentioned. If this happened, then what would be next? Would the third Monday of February be Diefenbaker day and the following Monday be Laurier day or John A. Macdonald day? If we start going down this path then we will have a holiday for every week of the year. We would not have a Mulroney day and we would probably at least all agree on that.

Above and beyond the principle of naming holidays after politicians there is the cost which should be considered. How much does a Canadian holiday really cost? If it is only a government holiday then the cost would be in the millions but if all Canadians were to take a day off work, what would that mean?

Not really knowing how such a calculation might be done, someone suggested to me that maybe I should take Canada's gross domestic product and divide it by 365 days. I admit this is a fairly primitive way of making the calculation but it is certainly more conservative than using the GNP numbers. If we divide the GDP by 365 we come up with a figure of $1.95 billion. I know that number might be exaggerated but I think the point we have to make is that the Canadian economy just cannot afford that sort of expense.

In addition, for businesses such as restaurants, corner stores and others which would stay open, such a holiday would force them to pay additional wages to their staff. For businesses struggling to survive the last thing they need is an unnecessary added expense.

While I do not agree with the idea that there should be a Canadian holiday for Mr. Pearson, this is not to suggest I do not think his achievements are praiseworthy. Any one person who could be ambassador to the United States, deputy minister of External Affairs, Minister of External Affairs, president of the UN General Assembly, Prime Minister and winner of the Nobel peace prize is obviously someone who has made a tremendous contribution to Canada and to the world.

While I have this opportunity to speak I would briefly like to discuss Mr. Pearson's Nobel peace prize. As we all know in order to bring an end to the Suez crisis in 1956 Mr. Pearson developed the idea of the UN peacekeeping force which could intervene and keep combatants separated. Of course it worked in the case of Suez and has been used ever since as a useful tool of international diplomacy and conflict resolution.

As Reform's foreign affairs critic I cannot help but reflect on this transition which peacekeeping has undergone since Mr. Pearson's days. Under the original formulation peacekeepers would only enter a country once there was a ceasefire agreement in place. They would then monitor this agreement and make sure that no flare ups occurred. In principle while the combatants were separated this would provide a window of opportunity for negotiations to bring about a lasting peaceful solution to hostilities.

Since the first peacekeeping missions, Canada has contributed troops all over the world and at every opportunity. However the requests for our help have continued to increase by the year and our resources are now stretched to the limit. I mean this in two senses. The personnel of the Canadian forces are stretched and our financial resources are limited.

Not only has our participation in peacekeeping become more of a burden, but the nature of peacekeeping has changed. Today our peacekeepers are going into more dangerous situations, often without the benefit of ceasefire and much more uncertain mandates.

• (1415)

Therefore, I was pleased to participate in the Canadian foreign policy review during which we discussed the peacekeeping legacy of Mr. Pearson in quite a bit of detail. It was decided during this review and with the input of Canadians from coast to coast that our peacekeeping tradition, begun by Mr. Pearson, was still a very important expression of Canadian foreign policy and that we would like to see the armed forces restructured in such a way that they can optimize their participation in future UN interventions.

Nonetheless, it was also realized that Canada can no longer be the 911 phone number for the world. In the future Canada must be more selective about the peacekeeping missions it goes on. I would like to personally ask this Parliament for the opportunity to debate the question of what specific criteria Canada should use to determine which peacekeeping missions will be the most appropriate for our participation.

I would like to see Mr. Pearson's legacy continue and I would like Parliament to deal with this whole issue in a way that will allow Canada to continue its role as an international peacekeeper into the next century.

In conclusion, there is no doubt the Right Hon. Lester B. Pearson made a very important contribution to the development of this country, and for that he does deserve honour, but this must be done in an appropriate way. While a holiday is too expensive for the Canadian economy and would set a dangerous precedent for opening the floodgates to more holidays for other political leaders from our past, I have no objection to the other tributes which already exist to honour Mr. Lester.

I commend the member for Cambridge for his loyalty and for bringing this bill forward. I was pleased to speak on it today.

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, it is with great pleasure that I stand before you today to support the bill of my colleague, the hon. member for Cambridge.

I come at it in quite a different way. The reason I appreciate so much that he has brought this issue forward is that I believe he is quite right that we so often fail as Canadians to recognize our heroes. We have many heroes; heroes of literature, heroes of history, heroes in Quebec, heroes in the west. We do not recognize them enough. Sometimes I believe that one of the reasons why we have problems as a country is because we do not have a strong enough sense of self.

When it comes to Mr. Pearson as a person who would be appropriate to be celebrated on a particular day, I do not believe the member is suggesting a statutory holiday but he is suggesting a name day, a recognition day. When it comes to Mr. Pearson, the politician, I find myself inclining toward the views of my colleague in the Reform Party, although from a different way. This is the reason.

In another life I am a little bit of an historian and I am familiar with other aspects of Mr. Pearson's life. I can tell the hon. member for Cambridge that one of the problems with politicians, and particularly leaders, is that history tells more about them as the years go by than we might know or appreciate at the time. In the case of Mr. Pearson, documents that are now becoming available, as they are in Britain regarding Churchill, are revealing that Mr. Pearson was very much involved in the intelligence world in co–operation with the United States and Britain, and that Mr. Pearson was very, very conscious of the threat of communism. That was mentioned. Mr. Pearson was actually a bit of a hawk rather than a dove when it came to the Soviet Union.

As he was talked into a very close relationship with the Americans at the intelligence level, during the Suez crisis, as the hon. member will remember, it was a situation where the British and the French had attacked the Sinai and the Americans were opposed to it. The Americans and Canadians were opposed to it.

What happened there, as we now know from documents, was that the British and the French were reading Egyptian ciphers, codes and ciphers. The Americans and Canadians were reading the codes and ciphers of all the other Arab nations. When it came to sending the forces into the Middle East, Mr. Pearson by benefit of the Americans had the advantage of terrific intelligence. He was not at risk of losing lives or making a bad decision.

• (1420)

Furthermore, there is evidence today that Mr. Pearson's initiative in the Middle East in solving the Suez crisis with UN peacekeeping forces was an initiative that was worked out with the Americans. He got the Nobel Prize for it, but I think as the years go by we will see a little more about what actually happened there.

This is not to take away from Mr. Pearson in any way, manner or form because, as the hon. member for Laval Centre so eloquently said, Mr. Pearson contributed marvellously to this country, not only in terms of foreign policy but in terms of opening up this this government to francophones from Quebec.

Prior to the second world war there was not anything like that accessibility from Quebec. Mr. Pearson recognized that Quebec was moving forward after the second world war. Mr. Pearson tried to join with that.

That is a problem. When it comes to naming politicians, as my Reform party colleague was saying, it is a little delicate when we set aside days to commemorate them. Something might come up in the future that would give us second thoughts about it or we might decide that it is not that appropriate. When we look down, I will agree with the member for Cambridge that I could not think of another statesman or politician in this country who would be more suitable or almost.

Certainly if we look down the roll of Prime Ministers, only Mr. Pearson has the stature that would qualify for the type of recognition the member proposes. Oddly enough, I would make one exception. In speaking from the heart, from my experience of life in this country in the last 30 years, I would make one exception of a leader in this country who showed he had a heart that went beyond politics, having his country at heart and a real sense of the country. The member for Laval Centre will just love this. It was René Levesque. Mr. Levesque was a man who spoke for not just the people of Quebec. He spoke for all Canadians with what he brought to the fore. At least in my mind he gave me in that entire debate, now quite a few years ago, a sense of what being a Canadian really was.

I want members to know, members of the Bloc Quebecois particularly, that René Levesque, who I saw in action, was an incredibly human man, so easy to relate to, not a person like Trudeau who tended to be arrogant, or a person like Mr. Turner who tended to be inaccessible. I always felt he was a man of the people. That was the warmth. He brought us forward as a nation, not just Quebec, but as a nation at large.

I do not feel the same way about Jacques Parizeau. I feel very strongly that what Mr. Levesque created in raising the sense of Canadian identity was largely destroyed by a subsequent Prime Minister who led us into a fruitless debate and brought us to where we are now. I am very confident, on the other hand, that we will remember the spirit of Mr. Levesque and that will come out of the debate now on the subject of separatism. We will come to be a much stronger country. I am very convinced of that.

Obviously we are not going to have a day recognizing Mr. Levesque in the near future.

This is a delicate thing I would say to the hon. member for Cambridge. When one raises the issue of a recognition day for prominent politicians it does risk running aground on the rock of politics of the day. I would suggest to the hon. member that maybe we should look for another sort of hero. There is no doubt that as Canadians we constantly overlook our heroes.

I would like to suggest to him there is a heroine we constantly overlook as Canadians, whereas the whole world recognizes this particular person. I speak of Anne of Green Gables. Do we realize in this House that a fictional heroine—

**Mrs. Gaffney:** What about Lucy Maud Montgomery?

**Mr. Bryden:** No, I know who wrote *Anne of Green Gables*, but I do not think Lucy Maud Montgomery day would have the same shall we say caché as Anne of Green Gables. I point out that while in Japan they have *Anne of Green Gables* on their school programs, nowhere in Canada have I ever heard of a school or university teaching it. Yet this book, published in 1908, has run through more copies and more languages than just about any book of fiction in the world. It is known worldwide.

• (1425)

My colleagues from Prince Edward Island tell me that approximately 700,000 tourists come to the Island every year and about 40,000 of those are Japanese. They come to see the farm where Lucy Maud Montgomery, the author of *Anne of Green Gables*, lived and to see the house that was described in the novels.

I suggest we avoid falling into difficult political traps when we want to recognize a fine Canadian who is recognized worldwide. Perhaps we should look to the young lady of *The Lake of Shining Waters*. It is appropriate that we as Canadians recognize a person who is recognized in the world's imagination.

**Mr. Perić:** Mr. Speaker, on a point of order. I wish to seek unanimous consent to have the bill withdrawn and have the subject matter referred to the Standing Committee on Canadian Heritage.

**The Deputy Speaker:** It has been moved:

That the bill be not now read the second time but that bill be withdrawn and the subject matter thereof referred to the Standing Committee on Canadian Heritage.

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

**Some hon. members:** No.

**The Deputy Speaker:** There are two minutes left in the debate.

**Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, there are but two or three minutes left.

I would like to take the opportunity to congratulate the hon. member for Cambridge.

[*Translation*]

A few years ago, I introduced in this House a motion to have a statue of the Right Hon. Lester B. Pearson erected on Parliament Hill. I had the privilege of choosing the spot where the memorial to this great Canadian would stand.

I wanted to take a few minutes to tell the House how much I like and support the motion in front of the House today. I would also like to tell Canadian men and women that, like many of them, I consider Lester B. Pearson to be the greatest Prime Minister this country ever had, even though some might not think so.

I always appreciated his sense of humility. If he were here today, he would probably blush and he would certainly be embarrassed by such a motion, he who never accepted that something be named after him or that a statue be erected in his honour. His grave, in the Ottawa area—in Quebec, in fact, as several members opposite know—is very simple. That is the way he lived.

His humility might be reason why we now see him as a great statesman. This is also the reason why the hon. member for Cambridge wanted to recognize Lester B. Pearson.

I agree with his statement. I would have liked Parliament to send this document to a parliamentary committee for further review. Anyway, I will use the few seconds I have left to congratulate the member for Cambridge for recognizing in Lester B. Pearson a great Canadian political figure, a statesman, the father of the flag which stands besides your chair, Mr. Speaker, and the originator of Canadian diplomacy. I want to join the member in telling Canadians how important it is to take steps to honour great Canadians such as Lester B. Pearson.

**The Deputy Speaker:** Colleagues, the hour 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.

It being 2.30 p.m., this House stands adjourned until next Monday at 11 a.m.

(The House adjourned at 2.30 p.m.)

# HOUSE OF COMMONS

**Monday, November 21, 1994**

The House met at 11 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*English*]

### DEPARTMENT OF NATURAL RESOURCES ACT

The House proceeded to the consideration of Bill C–48, an act to establish the Department of Natural Resources and to amend related acts, as reported (with amendments) from the committee.

SPEAKER'S RULING

**The Speaker:** My colleagues, I am prepared to make a ruling on Bill C–48.

[*Translation*]

There are six motions in amendment standing on the Notice Paper for the report stage of Bill C–48, an act to establish the Department of Natural Resources and to amend related acts.

[*English*]

Motion No. 1 will be debated and voted on separately. Motion No. 2 proposes to delete certain lines from the bill, but since the committee's minutes of proceedings indicate that these lines were deleted at the committee stage, Motion No. 2 is therefore redundant and will not be selected.

[*Translation*]

Motion No. 3 will be debated and voted on separately.

[*English*]

Motions Nos. 4, 5 and 6 will be grouped for debate but voted on as follows: (a) a vote on Motion No. 4 applies to Motion No. 6; (b) Motion No. 5 will be voted on separately.

[*Translation*]

I shall now propose Motion No. 1 to the House.

• (1105)

[*English*]

MOTIONS IN AMENDMENT

**Hon. Charles Caccia (Davenport, Lib.)** moved:

Motion No. 1

That Bill C–48, in new clause 6(*a*), be amended by deleting the words "integrated management and".

He said: Mr. Speaker, in setting the major goal for the new Department of Natural Resources, I would like to commend the minister for having made a change in committee following second reading debate in this House.

At that time the many goals of this bill included sustainable development but it came further down in a long list. Therefore it was almost interpreted as being an added on consideration of a low priority and prompted interventions to the effect that sustainable development ought to be the top priority of the newly established Department of Natural Resources.

Considering what has happened in the fisheries and considering the debates and the controversies in forestry, and considering the overall commitment by this government to the concept of sustainable development as announced and defined in 1987 by Madam Brundtland in the report entitled "Our Common Future", it would only stand to reason that sustainable development be given priority in the function and goals of the minister of this new department.

I am very pleased to congratulate the minister for having made this change in committee and having brought sustainable development into a place that corresponds to its importance for the future activity of this department.

I have to draw attention to the clause as presently drawn in the bill. It contains two concepts. It gives the natural resources minister responsibility with respect to integrated management of Canada's natural resources and sustainable development. In other words, it does two things in the manner that it is drafted now. It puts sustainable development in a secondary position to integrated management. Integrated management in the clause as it stands now, the goal as now defined, is first. It is followed by a subsequent secondary consideration in the way it could be interpreted in a court or by a judge or anyone who reads the bill, from the deputy minister to you name it, as a consideration that comes after integrated management.

I submit respectfully this sequence is to be examined and possibly reversed. I appeal to the minister to give this her closest positive consideration.

• (1110)

The second point that has to be made in this connection is that these two concepts, integrated management and sustainable development, could at times come in conflict and could not be neutrally supported.

Third, in the bill sustainable development, if it is not clearly defined, is clearly understood by way of the definition given in the Brundtland report and virtually universally accepted. Therefore we have as the major goal for the department a concept that is well defined, sustainable development. However, we cannot say the same for integrated management.

A situation could arise in forestry, in fisheries or in any other natural resource tomorrow, in 10 years or in 100 years whereby pursuing the principles of integrated management as it is proposed now would not be in the interest of sustainable development.

When there is such a conflict which of these two concepts will the minister of the day choose? Therefore to remove this ambivalence, to remove this dichotomy, to remove this uncertainty I am submitting by way of this motion an amendment to the particular portion of the bill whereby the Minister of Natural Resources has as a main responsibility the implementation of the principle of sustainable development and the clarification of other considerations related to management. I think it will make the task of the minister of the day clearer, politically saleable and also less in conflict with other considerations.

We have had too many experiences in recent years with natural resources where there was a visible conflict between a natural resource, concepts of management and sustainable development. It is time to cut this umbilical cord and give very clear direction to the department in charge of such an important natural resource for the long term.

We have sufficient examples that have already brought about the adoption of long term considerations on the part of this government, and I am glad to see the minister of fisheries in the Chamber who has done so already on a number of occasions, and very courageously so.

To support my argument I bring into the House the red book and the fact that one of the main chapters in the red book is devoted to the concept of sustainable development and not to integrated management. Sustainable development is one of the pillars of the policies of this government. It was our commitment during the election and today it is our commitment as well.

It would be a great pity if in launching the new Department of Natural Resources this commitment would be somehow derailed by considerations of integrated management of which we do not know the definition and of which there is no definition in the bill. It could be the detracting factor in the long term interest of natural resources which this department is expected to protect and enhance.

This is my argument and I rest my case.

• (1115)

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, we are debating something which is a little more fundamental than semantic.

The basic premise expressed in this amendment is that sound management practices and sustainable development are mutually exclusive. This I cannot accept, nor can my party. If we remove the two offending words, integrated management, what we will be suggesting to the department is that the traditional and honourable concept of multiple use of resources is to be thrown out the window.

I maintain that all that will be left is the equally undefined concept of sustainable development. Sustainable development is in the eye of the beholder. Surely if it is to be sustainable it must be properly managed. On that basis and that basis alone the Reform Party will oppose this amendment.

**Hon. Anne McLellan (Minister of Natural Resources, Lib.):** Mr. Speaker, I have listened with interest this morning to the discussion of my hon. friends and particularly to the comments made by the hon. member for Davenport.

Let me say that I appreciate the interest and time he has taken in relation to Bill C–48 which creates the new Department of Natural Resources. I want to point out that I have listened very seriously and have taken very seriously his concerns in relation to this government's commitment to sustainable development. Because I take that commitment very seriously, I instructed my officials to reorder clause 6 of Bill C–48 in such a way that our commitment to sustainable development became clause 6(a).

This morning the hon. member for Davenport indicated he would like further amendments to clause 6(a) of Bill C–48. Again I think my hon. friend raises some very important considerations for all of us. If it is appropriate at this point I would like to proceed with moving an amendment. I move:

That Motion No. 1 be amended by adding:

; and

(b) by adding immediately after the word "resources" the following:

"and the integrated management thereof;".

Clause 6(a) would indicate that the minister shall have regard to sustainable development and to the integrated management thereof. Let me explain why I am proposing such an amendment. It is because I think the paramount consideration and concept is

obviously that of sustainable development and therefore sustainable development should have pride of place in clause 6(a).

My commitment as minister is to the sustainable development of Canada's natural resources, but integrated resource management is the means by which we deliver on that commitment. It is the how of the implementation of the concept of sustainable development.

My opinion is it is important not only to include the commitment to sustainable development, but also to indicate how in the resource sector we achieve and deliver on that commitment. We do it through integrated resource management, the integration of the values of economic, social and environmental considerations. Therefore I have proposed the amendment as outlined.

• (1120)

**The Acting Speaker (Mr. Kilger):** Is there any further debate on the amendment by the hon. minister? If not, I will just take a few moments to consult with the table and then we will proceed. Debate is on the amendment of the Minister of Natural Resources.

**Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.):** Just a few short comments, Mr. Speaker. I rise in my place to support the amendment to the amendment proposed by the Minister of Natural Resources.

In the 15 years I have had the pleasure of knowing the hon. member for Davenport he has consistently displayed and exhibited in his participation in public life an absolutely unyielding and uncompromising commitment to the principle of sustainable development. To borrow a phrase from Jeffrey Archer it is no exaggeration to say if it can be said of anyone among us in this place he is the first among equals on the question of sustainable development. That is without question. It is also true for those of us who have been here for some time if there has been one who has enlightened and educated us and painfully and patiently explained the value of this principle over the years, it is indeed the member for Davenport.

I am not surprised to see that the member wants to give the Minister of Natural Resources, as the minister would want, the greatest possible obligation and commitment first and foremost to the principle of sustainable development. All else must flow from that. I said I have known the member for 15 years. I have known the Minister for Natural Resources for a year. In my judgment, after sitting with her in council for a year, the minister shares the great commitment of the member for Davenport to sustainable development.

In the amendment moved by the minister and which I was proud to second, the minister has reflected the kinds of standards and principles the hon. member for Davenport has always exhibited in this place. The hon. member is a fair-minded and principled man. I hope he will find the amendment acceptable. I hope we can proceed with this amendment with all reasonable and proper haste.

• (1125)

**The Acting Speaker (Mr. Kilger):** The question is on the amendment to Motion No. 1. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

(Amendment agreed to.)

**The Acting Speaker (Mr. Kilger):** The question is on Motion No. 1, as amended. Is it the pleasure of the House to adopt the motion as amended?

**Some hon. members:** Agreed.

(Motion as amended agreed to.)

[*Translation*]

**Mr. René Canuel (Matapédia—Matane, BQ)** moves:

Motion No. 3

That Bill C-48, in clause 7, be amended by replacing lines 27 to 35, on page 3, with the following:

"7. The Minister shall cause to be laid before each House of Parliament, not later than the fifth sitting day of that House after January 31 next following the end of each fiscal year, a report showing the operations of the Department of Natural Resources for that fiscal year."

He said: Mr. Speaker, I and my colleagues from the Bloc Quebecois find it easy to speak to Bill C-48, an act to establish the Department of Natural Resources, because we, as a sovereignist party, were elected by Quebecers to defend the interests of Quebec and to initiate dialogue with the rest of Canada.

The purpose of the amendment we are now proposing is to ensure that we will have all the information necessary at the right time, in order to better defend the interests of the Quebec taxpayers who elected us. Before we become autonomous, I must ask and ensure that this government respect Quebec's jurisdiction and that there be no reduction in our existing authority through unilateral action by the federal government.

The purpose of this amendment is to eliminate unjustifiable delays. We are bound to defend Quebec's exclusive jurisdiction with respect to natural resources. However, in order to fulfil our mandate, we need all the information available. We would be remiss not to ask for this information, and we would not be serving those who elected us if we remained silent before this bill, which does not set out any specific date for the tabling of its annual report and which therefore leaves the administration with full latitude in this regard.

• (1130)

In Quebec, the electorate's choice in the last federal election could not have been clearer. For the first time in our history, a sovereignist party formed the official opposition in this House. In addition, we were elected with the mandate to monitor as

closely as possible the administration of the public interest. This means that Quebecers are calling for more autonomy, more sovereignty, more independence and, above all, greater transparency. They are demanding that our governments be increasingly transparent and that nothing be hidden from the taxpayers. This is the object of our amendment.

An end must be put to the proliferation of structures, to duplication and especially to cover–ups. Can it be held that the taxpayers or their representatives, which we are, have all the facts in hand before it is too late?

Unless complete information is provided by a given date, how do you expect us, elected representatives, to serve the people adequately? Our proposal has no other purpose but to serve the people adequately. We cannot allow this department not to be accountable to the people of Quebec and Canada. Quebecers and Canadians alike have had it; they are fed up with paying twice for the exact same services, services that cost $3 billion in Quebec alone. Imagine what this amounts to Canada–wide.

The requirement to table an annual report by a certain day will ensure that the effects of duplication cannot be concealed from the taxpayers and enable us to react much more quickly. We, Quebecers, would be much better off financially if we gained independence and had only one level of government. In the meantime, it is our duty to make sure that we get our money's worth. Rest assured that we will carry out our duty and demand that this government be as transparent as can be.

If public funds were managed better, we could do more for rural regions where unemployment has taken on nearly catastrophic proportions as well as develop our natural resources better. We could take care of our own business much more efficiently. Never will this government accept any real decentralization of its powers. It is therefore imperative that it be forced to report on scheduled dates.

I would just like to remind this House that the Department of Natural Resources has, in actual fact, been in operation since the summer of 1993. The provinces were not consulted beforehand.

I will also remind you that, under the existing Constitution, natural resources are an exclusive provincial jurisdiction. Could at least the Constitution that governs this country be abide by, so that we can serve our taxpayers better? No, this government would rather continue its flag fight. It will do its best to conceal as much of the facts as possible. So, the requirement for tabling an annual report by a certain day will give us a better chance of getting at least a minimum of information. This is an absolute necessity in a democracy to account to those who have elected you.

This government prefers to make its presence felt wherever it can, at any cost, while we are unable to react because more often than not, we do not have the information required to react at the right time.

• (1135)

As the Auditor General of Canada pointed out in his 1992 report on page 342 about the Department of Natural Resources: "Prudence in administration requires that outcomes and results be scrutinized in the context of their costs to determine whether Parliament and taxpayers are receiving what was paid for".

Once it is passed, Bill C–48 would invest the minister responsible with the powers, duties and functions now assigned to the Minister of Forestry and the Minister of Energy, Mines and Resources. The structure being established is therefore quite significant.

Our amendment, which is aimed at creating more openness and requiring this new or modified structure to table regularly scheduled reports, is totally justified in our opinion. The current government is hiding behind the principle of good government management established by the former government in 1993 as it sets out to create an independent Department of Natural Resources. The federal government is hiding behind the principle of good government management as it is about to interfere in another area of provincial jurisdiction.

The requirement to table the annual report by a certain date will probably bring our worst fears to light. It will become impossible to hide reality. This requirement will confirm that there is indeed encroachment and duplication and that taxpayers do not really receive what they pay for.

This government is hiding behind the principle of good government management to create another area of dual jurisdiction. The first amendment we want to see adopted—and I hope we will have the full and total support of this House and the government—reads as follows:

> The Minister shall cause to be laid before each House of Parliament, not later than the fifth sitting day of that House after January 31 next following the end of each fiscal year, a report showing the operations of the Department of Natural Resources for that fiscal year.

Knowing how slow government administration usually is, we cannot leave it up to the minister to table this report before each House of Parliament as he or she sees fit, as soon as practicable after the report is prepared.

What does "as soon as practicable" mean? What does it mean to the government machinery? Let me tell you, Mr. Speaker. It means absolutely nothing. I will give you an example: I asked the Minister of Natural Resources for a report she had asked experts to write about the Eastern Quebec Development Plan, which should have been renewed months ago. The minister has

had this report for a long time. Although I have asked for it nearly every day, I still have not received it. That is government machinery for you.

**The Acting Speaker (Mr. Kilger):** I would just like to remind hon. members that those who speak on these motions have 10 minutes. For this reason, I would ask the member for Matapédia—Matane to kindly conclude in a minute or two, because he has already gone beyond the 10 minutes allowed. The hon. member for Matapédia—Matane.

**Mr. Canuel:** Mr. Speaker, I shall conclude. When there is no precise date, we notice that it takes a very long time to get information.

• (1140)

By setting a precise date, our amendment would enable us to have more information and thus report back to our constituents and to taxpayers, who are entitled to this information. We want that information and that is the purpose of our amendment.

[*English*]

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, I have listened with considerable impatience while the hon. member for Matapédia—Matane weakened the case for his eminently sensible amendment with a lot of separatist cant and whining provincialism. Surely we can debate matters of this nature without constantly getting off track and riding that horse into the sunset.

With respect to the merits of his amendment and without any special reference to Quebec, I agree it is not good enough that information be provided piecemeal by the departments to members of Parliament. There should be an annual report.

The suggestion in the hon. member's amendment that this be in a fixed timeframe is also excellent and the Reform Party supports this. We are aware that there will be costs involved but it is important that the principle of accountability to Parliament be maintained.

However, I hope that future Parliaments will not be satisfied with reports of the nature that I have seen from previous years where we are given a bunch of pretty pictures and platitudes. I would like to see some meat in these reports.

However, with that caveat, the hon. member's amendment is a good one and we will support it.

[*Translation*]

**Mr. Bernard Deshaies (Abitibi, BQ):** Mr. Speaker, I would like to add a few comments to the speech made by my colleague from the Bloc Quebecois. The hon. member referred to a quantitative report, that is a document which would contain sufficient data to inform every Canadian.

I also want to say that this report should also be more qualitative, or more specific. In the past, as the Reform Party member just pointed out, a very thick document would often be released but would not include truly relevant information on the appropriateness and the efficiency of the department's operations.

Through clause 7 of this bill, the government indicates that it might be sufficient for a minister to table Part III of the Estimates, to demonstrate the good work of the department for which he or she is responsible. This is not good enough and that is why, through its motion, the Bloc Quebecois is asking that that clause 7 be amended to require that an annual report showing the department's operations be laid before the House.

That department must have a specific mandate as well as defined objectives; it must demonstrate its usefulness and show that the budget allocated to it was well spent. Many Quebecers and Canadians question the role of various departments.

Indeed, the role of too many departments is being questioned and, at a time when the Minister of Finance wants to cut $9 billion from the federal budget to make ends meet, one cannot help but think that other departments, not the Department of Human Resources Development but others like the Department of Natural Resources, should do their part and at the very least justify their expenditures.

Quebecers and Canadians have a right to ask if the budget of that department was really spent on valuable projects, and they have a right to demand that the minister make sure the money goes to the right place; after all, it is his duty to do so.

The public also has the right to know if the programs which the Department of Natural Resources wants to develop, and which are the very reason for such spending, are useful and efficient. Consequently, we could obtain from that department, every year, a report on its programs and objectives, on the way it has tried to achieve these objectives, as well as on the money spent on each project. It will be possible to determine whether the department provides a worthwhile service to the people of Canada and Quebec.

• (1145)

At the present time, the advisability of cutting certain social programs is a frequent topic of debate, and such discussions are entirely appropriate, considering what we want government to do. In the end, however, perhaps a cost–benefit analysis of each program, and not only of the Department of Natural Resources, should be done for the benefit of the public.

I think it is appropriate to require that in Section 7 of the bill, to minister produce, in future, an annual report to inform both Houses whether his department did what it set out to achieve and whether its budget takes into account the interests of all Quebecers and Canadians.

There are people, including other members, who may see this as an additional expense. I do not agree. I think that a report on operations fills a need. In most cases, this kind of report is already produced for departmental use, in other words, senior executives review their programs and make recommendations for improvements. The same report could be made available to us, which means we would no longer have to wait for months to get information on a particular subject or project, as the hon. member just said.

Releasing this departmental review to Parliament would enhance the quality of management in the department and increase much needed transparency in government. I realize that such action may take some political courage on the part of the minister, but citizens have a right to demand this kind of forthrightness of their minister, especially considering the national debt and our annual deficit.

In concluding, I want all members of this House to realize that we do not necessarily want a detailed and wide–ranging report, because the departmental reports we get at our offices are often terribly discouraging for the person who has to read them. All we want is a report that gives us some insight into the government's activities and a chance to evaluate its performance. I think that any department that has done a good job of identifying its objectives and managing its current programs has no reason to be ashamed of publishing this information and should even be proud to do so.

It is therefore entirely appropriate to amend this clause, and I hope that the majority in this House will agree.

[*English*]

**Mr. Peter Thalheimer (Timmins—Chapleau, Lib.):** Mr. Speaker, I am pleased to rise to speak to the motion of the hon. member. He seeks to make it mandatory that the minister provide the reports.

I submit that the answer is clearly there. In conjunction with the budget speech normally delivered in February each year, the President of the Treasury Board tables on behalf of the Department of Natural Resources part III of the estimates which reports on the operations of the preceding fiscal year and the current fiscal year and as well includes proposals for the upcoming fiscal year. Therefore the intent of this amendment is already being met by those provisions. However, flexibility is needed as to when the report is delivered to Parliament so as to conform to the budget process.

We may ask why the obligation to table an annual report is not contained in this bill. Section 153 of the Financial Administration Act was amended on May 1, 1991 to permit statutory reports to be discontinued by order in council when they contained the same or less information as the estimates from public accounts. This provides a streamlined reporting to Parliament while ensuring no less information.

The cost savings as a result of this continuation of 23 statutory reports is estimated to be in the neighbourhood of $500,000 annually. Is the tabling of an annual state of forests no longer obligatory? The obligation to table this report in Parliament has been removed. This does not preclude the minister from tabling a report in Parliament. In addition the report could be required by regulation of the governor in council. The clause as written provides greater flexibility for parliamentarians to request changes to reports and timing of these reports.

• (1150)

The CFS has indicated that it may be more useful to see and measure progress on forest management and other forest related issues if such reports are every two or three years. If circumstances require, shorter time frames for reporting to Parliament on specific aspects of natural resources could be identified.

Changing a regulation is less cumbersome and consuming than changing the act.

[*Translation*]

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

**Some hon. members:** Question.

**The Acting Speaker (Mr. Kilger):** The vote is on Motion No. 3, standing in the name of Mr. Canuel. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

**Mr. Bernard Deshaies (Abitibi, BQ)** moved:

Motion No. 4

That Bill C–48, in clause 27, be amended by replacing lines 13 and 14, on page 9, with the following:

"government of any province for forest protection and manage–".

**Mr. René Canuel (Matapédia—Matane, BQ)** moved:

Motion No. 5

That Bill C–48, in clause 35, be amended by replacing line 39, on page 11, with the following:

"ter may, at the request of all the provinces".

**Mr. Bernard Deshaies (Abitibi, BQ)** moved:

Motion No. 6

That Bill C–48, in clause 35, be amended by replacing lines 25 to 33, on page 12, with the following:

"plans under subsection (1), the Minister

(*a*) shall cooperate with the provinces;

(*b*) may enter into agreements with the government of any province or any department, branch or agency of such a government;

(*c*) with the agreement of the concerned province, may make grants and contributions and".

**Mr. Deshaies:** Mr. Speaker, I rise today to seek my colleagues' support to amend two clauses of Bill C–48, which, I believe, distort the very nature of this department by not explicitly recognizing the overriding authority of the provinces over natural resources.

First, clause 27.(2) is theoretically aimed at allowing the Minister of Natural Resources not to seek the approval of the Governor in Council when entering into contracts or agreements. This change is said to be in the interest of streamlining public service operations. Keeping in mind this laudable intention, let us look at the effects of the following few words included in clause 27.(2), page 9, line 13:

—government of any province or with any person for forest protection and management or forest utilization—

The words "or any person" cannot be legitimately included since only the provinces have the authority, the right to define their own forest policy.

• (1155)

Therefore, even though the legitimacy of the Canadian Minister of Natural Resources is very much in doubt, it is still important to correct those clauses having an impact on the provinces' authority in matters of exclusive jurisdiction. Under subsection 92(*a*) of the Constitution Act, 1982, natural resources are described as exclusive provincial jurisdiction, in particular with regards to development, conservation, and management of non–renewable and forestry resources, including laws in relation to the rate of primary production therefrom.

These few words open a wide door to interference by the federal government in the area of forestry which could be perceived by provincial governments as contrary to their policies or discriminatory towards some provinces.

The issue is not the value of the federal involvement, the point is to make sure that the federal government remains within its areas of jurisdiction. The federal Minister of Natural Resources must consult and obtain the consensus of all provinces before promoting a so–called national policy. For example, Quebec never signed the National Forest Strategy, therefore, the federal government cannot, unilaterally, intervene on its territory with policies, however well intentioned, actions or agreements not endorsed by Quebec.

Quebec has its own forest management strategy, like many other provinces. Trying to harmonize the different policies is the responsibility of the provinces themselves. Any interference on the part of the federal government, if it is not the result of a unanimous request from all provinces can only be a source of duplication and waste.

The people of Canada, like the people of Quebec, should not have to pay twice because of the squabbling between the two levels of government since the rules are clear: natural resources belong to the provinces.

The provinces have precedence in the area of natural resources, yet, it is quite clear that the words "any person" put the provinces on the same level as any given person selected by the minister. It is obvious, therefore, that such equality between a person and a province cannot stand: these words must be deleted.

To continue with this same motion, I now move on to the explanatory notes on clause 35, section 6, which state that the new section 6(*a*) provides clarification by allowing the Minister of Natural Resources to conduct or co–operate with persons conducting applied and basic research programs instead of only conducting such programs.

The word "co–operate" seems quite appropriate in a piece of legislation requiring the federal government to co–operate with the provinces in areas of provincial jurisdiction. It seems quite appropriate that this clause should reflect this willingness to cooperate by incorporating the proposed amendment, which merely states that, at the provinces' request, the minister may recommend, promote or co–ordinate a Canada–wide policy or any basic research program needed.

These few added words clearly show who should give directions and identify needs so that the federal government can be instrumental in helping the provinces in these fields instead of taking the lead.

This clause should clearly reflect the federal government's willingness to co–operate by recognizing the provinces' supremacy in identifying their needs, the openness to receive provincial requests as an established fact, as well as the minister's ability to honour these requests in the provinces' interest depending on available resources.

I do not want to elaborate needlessly on this amendment, but the federal government's willingness to co–operate should allow it to accept this amendment. I do not want the amendment to be redundant either.

On the last point, namely clause 35, lines 21 to 39, I want to talk about something that reflects very well Canada's constitutional problems. Clause 35.7(2) proposes that in carrying out

any plans coming under the Department of Natural Resources, the minister may—repeat, "may":

(*a*) cooperate with the provinces and with municipalities;

(*b*) enter into agreements with any person or body, including the government of any province or any department, branch or agency of such a government, respecting the carrying out of those plans; and

• (1200)

And third:

(*c*) make grants and contributions and, with the approval of the Governor in Council, provide other forms of financial assistance.

I think that these three proposals contain the seeds of federal–provincial disagreements on many issues.

First, the federal government, through its Department of Natural Resources should, and not just may, co–operate with the provinces. The federal government has no legitimate authority over the provinces' natural resources. If it absolutely wants to be involved in provincial fields, it should do so with their consent and for the greater good of all, of course. However, where their resources are concerned, the provinces would certainly want to discuss what is good for themselves in order to have the program that suits them.

Second, the federal government must not conclude any agreement to implement federal programs with anyone in the provinces unless the provinces are informed and have agreed. Provincial consent must be required for any private agreement to take effect. It is hard to imagine anyone changing a province's natural resource management policy without the province's consent.

So, any agreement between an individual or group and the federal government can only be made with the agreement of the province concerned. Again, why duplicate and risk wasting money, despite good intentions?

Third, in the same vein, if the federal government, through a joint policy, wants to promote a particular sector or project, it should do so with the consent of the province concerned, so that the federal government can make the grant or contribution.

Nothing in clause 35 says or indicates that the provinces have priority when natural resources are involved. As the Official Opposition in this House, we can only call attention to this fact, which is not something the provinces are demanding but a basic agreement of this Canadian federation. Under these circumstances, how could we not insist that many federal bills or laws lack legitimacy?

Several federalist members point out that the federal government must do this or that for the general welfare, without hurting the provinces. These members may be in good faith, but imagine what the federal government would say if provincial legislators intervened in federal programs and set conditions for them. The federal government would be the first to talk about interference and want to put them in their place.

The Canadian system defines the roles of each level of government and changing them requires reopening the Constitution and new negotiations. That may not be a bad idea. The Canadian Constitution needs many adjustments. Quebec's idea of "opting out", that is, the provinces' ability to withdraw from a federal program with full financial compensation, is one that could meet its particular needs and show the ability of this federal system to adjust.

For these reasons, we believe that putting our terminology in clause 35 7(2) would much better reflect the provinces' needs and the federal government should consider it an improvement and support it. I think that my motion as a whole justifies the necessary amendments to the clauses previously mentioned and Bill C–48 would correspond more closely to the reality of Canada as a result.

**Mr. Benoît Serré (Timiskaming—French River, Lib.):** Mr. Speaker, I am pleased to participate in the debate on Bill C–48 and on the amendment tabled by the hon. member for Abitibi.

For one year now, I have been hearing Bloc Quebecois members talk about duplication, overlapping, waste and the need to make cuts. I find it very disappointing, and also very prejudicial to Canada, to see Bloc members use any bill to try to promote their only objective, namely the separation of Quebec, instead of dealing with the real issues and improve the situation of Quebecers.

[*English*]

Bill C–48 amalgamates two previous departments, the Department of Energy, Mines and Resources and Forestry Canada. This is a logical and practical step that demonstrates the government's commitment to Canada's resource industry and to good government.

I understand that the amalgamation of these two departments has already saved some $16 million, c'est ça couper dans le gras, messieurs les députés.

In the debate on Bill C–48 it is essential that we keep in mind the vital contribution that the energy, mining and forest sectors make to Canada's economic health and to the high standard of living that Canadians have come to enjoy. Together, these industries represented $86.2 billion or 13.4 per cent of Canada's GDP in 1993.

• (1205)

Canada's advantage in international trade is tied almost exclusively to natural resource based goods. These three sectors provide jobs for 700,000 Canadians and sustain the economies of almost 500 communities across the country. In many regions of Canada, natural resource industries are not only the principal vehicle for economic development, they are the only vehicle for highly skilled jobs.

[*Translation*]

Energy, mining and forestry are high–technology industries which are essential to Canada's prosperity in the future. If only we can have an adequate policy developed and implemented by a single department, these industries will keep contributing to job creation and economic recovery for a long time to come.

Bill C–48 sets out the minister's duty to promote sustainable development regarding energy, mineral and forest resources in Canada. This means that the economic, social and environmental objectives of the government will have to be taken into account in every decision related to the development, the management and the use of resources.

In its quest for sustainable development, the new department will rely, among other things, on the work done in these scientific sectors. The Canadian Forestry Service, the Geological Survey of Canada, the Canada Centre for Mineral and Energy Technology, and Geomatics Canada will remain dynamic activity centres in the field of science and technology.

Bill C–48 officializes the grouping of two statutes of the Parliament of Canada which exist, under one form or another, since many years. Consequently, that legislation does not in any way increase the power of the government of Canada. The duties, the authority and the functions of the Minister of Natural Resources will only apply to those areas that come under the jurisdiction of Parliament.

[*English*]

This new department will continue to work in partnership with the provinces to make our natural resource sectors both sustainable and competitive.

There are many examples of such partnerships. For instance, the Canadian Council of Forest Ministers has recently agreed on a framework for future co–operation in the areas of science and technology, international and trade issues, regional development, aboriginal forestry and national co–ordination.

In the mining sector, the Whitehorse mining initiative represents a valuable partnership that unites the efforts of federal and provincial governments, industry, labour, aboriginal people and environmental groups. In fact, for Canada's mining and mineral sector, the Whitehorse mining initiative demonstrates the commitment by all the stakeholders to co–operation and dialogue to improve the future prospect of mining for the country.

On this point, I am proud to note that on September 13, 1994 the Whitehorse mining initiative leadership council accord was signed in Victoria, British Columbia. This accord sets out principles and goals designed to assist all stakeholders in their efforts to ensure a prosperous mining industry that is committed to sustainable development.

[*Translation*]

Another of the department's agencies, the Canada Centre for Mineral and Energy Technology, has set up a successful partnership. In an editorial published on November 7, the newspaper *The Northern Miner* reported that co–operation projects undertaken by this agency positively contributes to our economic growth and job creation in Canada.

Also, partnerships between federal and provincial governments in the goematics area allow Canada to help other countries. For example, last month, the Minister of Foreign Affairs announced new initiatives to help the Ukraine.

Among these initiatives was a $2.3 million contract awarded to an Alberta company for the second stage of an important land registration project in the region of Kossiv, in the Ukraine. Following this project, private interests in this country are expected to be able to purchase land. This project is the result of close co–operation between the industry, the Alberta government and Natural Resources Canada.

• (1210)

[*English*]

In closing, Bill C–48 demonstrates the government's commitment to good government. It is a bill that emphasizes progress toward sustainable development of Canada's energy, mineral and forest resources. In addition, Bill C–48 emphasizes co–operation, la coopération entre les provinces, which own the natural resources, on le reconnaît, so Canadians can move together into the next century and beyond.

I urge all members to defeat these amendments.

**Mr. Morrison:** A point of order, Mr. Speaker. The hon. member for Abitibi seemed to be addressing portions of Motions Nos. 4, 5 and 6. The hon. member for Timiskaming seemed to be addressing none of them.

Before I make any comments, I would like to know if this is going to be the end of the debate on the motions? Will we be voting on the motions immediately after?

**The Acting Speaker (Mr. Kilger):** The debate is on Motions Nos. 4, 5 and 6. Members can choose to speak to one or all collectively. Yes, on completion of the debate I will put the question.

**Mr. Morrison:** Mr. Speaker, I assume we will be voting on the amendments separately but I would like to speak on all of them in the interest of time. Is my assumption correct?

**The Acting Speaker (Mr. Kilger):** Yes, when we get to the votes, as I understand, Motion No. 5 will be voted on separately. The vote on Motion No. 4 will be applied to Motion No. 6. There will be two votes. I hope that is of assistance to the member and others.

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.):** Mr. Speaker, I am sorry to hold up the business of the House with my questions, but it is nice to know where one is going.

With respect to Motion No. 4, the principle that the federal government does not interfere in matters under provincial jurisdiction without first gaining the co–operation of the provinces is a well–established Canadian custom.

I do not see any harm in spelling this out by insisting on the word "shall" in paragraph (1)(a). It appears to belabour the obvious but since the motion will be voted on with Motion No. 6, in order to support Motion No. 6, I will support Motion No. 4.

Motion No. 6 is an amendment that would restrain the federal government from entering into forest protection and management agreements with private entities. I hope the object of this amendment, although the mover did not spell it out, would be to restrain federal porkbarrelling. Certainly it will have that effect if passed. Therefore we support the motion.

The object of Motion No. 5 seems to be to prevent the federal government from acting on purely technical matters without a unanimous request by the provinces. In a federal state this is absurd. The 10 provinces of Canada can never agree on anything. We are not talking about policy. We are talking about simple technical decisions.

An excellent case can be made for reduced federal government in technical activities under provincial jurisdiction but this is a matter of policy. It requires no changes to the act. It only requires a change to the government.

Therefore I will have to oppose Motion No. 5 because it is so couched that it would hamstring or put into a straitjacket the functioning of this department.

• (1215)

[*Translation*]

**Mr. René Canuel (Matapédia—Matane, BQ):** Mr. Speaker, I wish to commend the hon. member for Abitibi on presenting these amendments.

Earlier, in this House the Bloc was accused of playing politics. I do not think standing on our rights is playing politics. I do not think talking about Quebec's history is playing politics. To support my case, I would refer hon. members to a federalist and a Liberal to boot, but a great man just the same: Jean Lesage. In 1960, Mr. Lesage said that resource development was exclusively a matter of provincial jurisdiction and that it was part of the rights and priority requirements of the provinces, which were in a better position than the federal government to take effective and lasting action. That was Jean Lesage, who sat in this very House.

He also said that one of the fundamental rules of our federalism should be that Parliament's exceptional powers should be just that and not be used to encroach on areas that were normally the responsibility of the provinces. Some people might say, sure, but what about the development plan for Eastern Quebec? Is that not a valid exception? They are right, but it should remain an exception, as Mr. Lesage said.

I could also quote what was said by two of his predecessors. Daniel Johnson senior, certainly more of a nationalist than his namesake, referred to exclusive jurisdiction over the exploration, conservation and development of natural resources. I could also quote what was said by Jean–Jacques Bertrand. In any case, what we in Quebec want, and I hope the other provinces do as well, is to prevent the federal government from dealing directly with individuals, because when I read the bill, it says the federal government would be able to deal with the provinces or with persons. I think eventually, this would mean not duplication but three levels of intervention, not all of which would be governmental, since it would be possible to deal directly with individuals, over the heads of the provincial governments, and we object to that.

When it talks about co–operation, the federal government should say to the provinces: What are your demands? What do you want? In that case, the lines would be clearly drawn. Co–operation would be on a fair and equitable basis, which is what we want, and that is also the purpose of the amendments we proposed. I hope that everyone in this House will realize that this is not just for Quebec and that these amendments are useful for Manitoba, Ontario and all the other provinces, and I would ask both sides of the House for their support in adopting these amendments.

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

**Some hon. members:** Question.

**The Acting Speaker (Mr. Kilger):** The vote on motion No. 4 will also apply to motion No. 6.

• (1220)

[*English*]

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

The next question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 76, the recorded division on the 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.

*During the ringing of the bells*:

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 45, I have been requested by the chief opposition whip to defer the division until a later time. Accordingly, pursuant to Standing Order 45, the division on the question now before the House stands deferred until tomorrow at 5.30 p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

[*Translation*]

## DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from November 16, consideration of the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read a second time and referred to a committee.

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, I am pleased to rise today to speak to Bill C–53, an Act to establish the Department of Canadian Heritage.

It is a very interesting bill, except it comes at a time when the Minister of Finance has just realized, a year too late, that Canada's economic situation is unbearable, at a time when the Minister of Finance has just declared we should cut expenditures and at a time when interest on the debt has exceeded the GDP.

This is the moment when the Liberal government chooses to establish the Department of Canadian Heritage and increase duplication and overlap, thus increasing expenses. Indeed, the Liberal government stubbornly insists on making unilateral moves in the cultural area in Quebec.

• (1225)

This has been going on far too long. Enough with the unilateral approach of the federal government. There is a reality here, there is a francophone nation in Canada, with its own cultural values and its own language, a nation that has been claiming its own rights for too long.

This House must remember all the representations Quebec has made over the last thirty years in the cultural sector. Since 1966, all of Quebec's premiers have asked that the cultural policy and related budgets be repatriated to Quebec. All were unanimous in stating that the social, economic and cultural development of the Quebec people should be under Quebec's jurisdiction.

Should I go over it again? In 1966, Mr. Johnson demanded decision–making authority in the area of cultural development. In 1969, Mr. Bertrand claimed that cultural affairs were under Quebec jurisdiction. In 1971, Mr. Bourassa asked for a review of constitutional powers in the area of culture. In 1973, he requested a transfer of cultural policies and budgets. In 1975, Quebec asked for exclusive law–making rights. In 1978, Quebec requested the opening of negotiations between Ottawa and Quebec. In 1985, Quebec was still raising the need for a constitutional agreement. In 1991, the Bélanger–Campeau Commission stressed the need to give Quebec exclusive jurisdiction and responsibility over its social, economic and cultural development, as well as over linguistic matters.

Successive federal governments systematically ignored those requests. The present government is no different. Incapable of recognizing Quebec's distinctiveness, it tends to oppose its development.

In 1994, the federal government introduced a bill, the sole objective of which was to deny the distinctiveness of our society. Yet, our society is distinct! The government is rejecting a series of claims.

Liberal members must lift the veil covering our cultural reality. The bill mentions the Canadian identity, something based on the primary characteristics of Canada: bilingualism and multiculturalism.

First of all, we have to wonder whether there is a Canadian culture. Is there really such a thing? I ask you! Such a definition of Canadian culture negates the existence of the other culture, the Quebec culture.

Instead, the Liberal government should be working at balancing the CBC's budgets. To share the budgets fairly between the French and the English networks, fifty–fifty, is a must derived from bilingualism. Before we can believe in the subject–matter of this bill and in its implementation, there is still a long way to go.

The sharing of responsibilities between the Minister of Industry and the Minister of Canadian Heritage is simply incoherent, a fact we have been witness to in this very House. Both ministers have authority in the same areas, but have different visions. Moreover, there is no consultation whatsoever between the two of them. We were given the opportunity to come to that conclusion on several occasions, particularly with respect to the information highway advisory committee.

The Liberal government must get its priorities straight; the interests of the industry and those of a people, a language, a culture, are not the same and cannot be dealt with from the same perspective.

• (1230)

It is inhuman to keep writers, creators, performers waiting for over six years for a reform of copyright and intellectual property. It is crazy to want to turn these creations into an industrial market. I say an industrial market, because the Minister of Industry prefers the American copyright system to our copyright and neighbouring rights system; there is no clear choice yet, even though the Minister of Canadian Heritage must favour the latter since it is the only one which recognizes creators' efforts and highlights culture.

All these considerations and a lot of others, which could be debated for months and months, make it only more apparent that the bill, as tabled, does not give the Department of Canadian Heritage the mandate it should have. Given this fact, the Bloc Quebecois supports the motion that Bill C–53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be not now read a second time but that the order be discharged, the bill withdrawn and the subject–matter thereof referred to the Standing Committee on Canadian Heritage.

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.):** Mr. Speaker, I am very pleased to rise today and share with the members of this House my views on Bill C–53, an act to establish the Department of Canadian Heritage.

It is my firm belief that the passage of this bill is essential to the promotion of Canadian identity and the development of our country. The Department of Canadian Heritage has been working for over a year now in a variety of areas important to all Canadians. It has pursued its mandate with confidence and success, in all its areas of activity. The bill, which officially establishes the Department of Canadian Heritage, is a housekeeping measure.

The department works in several areas of responsibility that are not just important, but vital to Canadian identity. Whether it be in cultural development, the arts, official languages, multiculturalism, conservation of cultural property, national parks, national historic sites, or amateur sport, the Department of Canadian Heritage is called upon to play an essential role in the life of all Canadians, in all regions of the country.

The Department of Canadian Heritage develops policies and manages programs the objectives of which include promoting a greater understanding of our diversity, encouraging the participation of all citizens in the life of our society and ensuring an increased awareness of our abundant cultural and, of course, natural resources.

The department is of major importance to Canadians. We can all identify the various ways in which this department has an impact on us. All its policies and programs have a bearing on our daily life and our identity as Canadians. For example, the multicultural make–up of Canada is one of the most enthralling features of our society and it reflects the fundamental values of this country.

This diversity that characterizes the Canadian society is valuable and we have every right to be proud of it. Several countries are attempting to bring closer together population groups of different ethnic, cultural, linguistic and racial backgrounds and turn to Canada to look at the Canadian model.

We have built a country in which French and English–speaking minority communities can develop and make a full contribution to the economic, social and cultural life of the society. Linguistic duality is part and parcel of what constitutes the very essence of Canada's identity. This duality is deeply rooted in the very nature of our country. A Canada whose values would not recognize the importance of our two official languages would be unthinkable. With its official languages programs, the Department of Canadian Heritage gives Canadians the opportunity to appreciate this rich legacy and to benefit from it to the fullest.

• (1235)

Protection, conservation and development of our natural sites and national historic sites are closely linked to our national identity. Parks Canada, which is under the jurisdiction of the Department of Canadian Heritage, plays a prominent role in that regard. Our 36 national parks and 750 historic sites as well as our heritage canals and marine conservation areas are precious national treasures that all Canadians can appreciate. These illustrate the sort of cultural and natural heritage that we can all enjoy.

Parks Canada's heritage conservation work is recognized world–wide. Parks Canada is leading the way in terms of protecting commemorative and economic unity by complying with international conventions.

Obviously, the policies and programs of the Department of Canadian Heritage are powerful tools for promoting Canadian values and they incorporate responsibilities that make Canada a unique place to be.

The contribution of the Department of Canadian Heritage is essential to the development of our country and the survival of Canadian values.

I urge all the hon. members to support this bill, to allow the department to pursue its mission and promote Canadian identity, so that Canada can continue to develop in the era of globalization we are now entering.

[*English*]

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, I rise today to speak on this bill. I note that recent disclosures indicate that the Liberals plan to spend $24 million of taxpayers' money to establish a Canadian race relations foundation in Toronto.

Not only will this entail an immediate cost to the Canadian taxpayers, but it will entail an ongoing cost. This is just the latest example of the absurdity of government funded multiculturalism.

Hospital beds are being closed in this country. Social policy review is under way right now. All kinds of government services are being eliminated or reduced to the taxpayers. In the same breath we have this government telling us that it is going to spend $24 million to establish the Canadian race relations foundation in Toronto.

Does the Liberal government really believe that Canadians agree with the expenditure of this kind of money for this purpose? Does the Canadian government really believe that the taxpayers of this country would ever agree to support such an expenditure? If the taxpayers could check off on their income tax returns whether or not they agree to having a portion of their contributions going toward this expenditure, how many Canadians would actually tick off the box and say: "Yes, send my money to pay for this new $24 million race relations foundation in Toronto".

This is another example of how badly out of step this government is with the Canadian people and how badly it has its priorities organized.

We are in a deep fiscal crisis in this country. The Canadian taxpayers know that and the government knows that. We see evidence of that every day. In the face of that, because we have this philosophical conviction on the part of the Liberal government that these things must be funded, they are being funded to the exclusion of other programs.

In concluding my short remarks, I must say that this government once again demonstrates and makes it very clear to all members of this House and to the Canadian people that this entire rationale for the heritage ministry is undermined by the very actions that this government is engaged in even as we speak.

• (1240)

[*Translation*]

**Mrs. Eleni Bakopanos (Saint–Denis, Lib.):** Mr. Speaker, it gives me great pleasure to take part in today's debate and to support the bill introduced by my colleague to establish the Department of Canadian Heritage.

First of all, I want to specify that the purpose of this bill is essentially to grant official status to an organizational structure created over a year ago and to provide legal means to transfer employees to this new department.

I really believe that each and every member of the House of Commons should realize like me that the time has come to straighten out the status of these departmental employees in order to give them a sense of belonging.

This government firmly believes in transparency, justice and full participation of all Canadian citizens in our society. This government also believes that multicultural communities play a crucial role by contributing to the economic, social and cultural wealth of our country. The concept of Canadian identity is at the centre of all the responsibilities and duties of the Minister of Canadian Heritage.

This is why heritage must first and foremost demonstrate the relationship between members of a community, as well as its distinct characteristics and its milieu.

Consequently, the range of responsibilities and activities assigned to the Minister of Canadian Heritage under this bill is justified. The Department of Canadian Heritage is active in three main areas that have a common objective. First, there is the management of the natural and physical heritage comprising our national parks and our historic monuments and canals. Second, the management of programs which protect our official languages, promote amateur sport and ensure other cultural contributions that can make our society better. Finally, the management of cultural development in Canada and of means of communication that are essential not only to preserve our uniqueness but also as a powerful instrument of economic development.

Such are the functions of this department and what our national heritage is all about. Now I would like to examine in more detail certain aspects of each of these three main areas.

Our heritage is first of all a collection of sites full of history, which include 36 magnificent national parks, 750 historic sites and nine canals located throughout Canada. This is a significant economic sector generating annual revenue of more than one billion dollars, including $275 million come from foreign visitors, and employing approximately 30,000 Canadians.

A single figure speaks to the popularity of these sites with Canadians and foreigners: in 1992, some 27 million people visited our national parks and historic sites. Therefore, this sector is at the heart of our tourism industry and makes the envy of the international community, since we are at the forefront of what can be called ecotourism.

The multicultural policy is for all Canadians; it is based on the principle that social change is needed to overcome difficulties and that society as a whole must assume responsibility for it. The diversity of the Canadian people must be recognized and appreciated not only by the government but also by the institutions, including the media, the health and education communities and the private sector.

Therefore, the federal government's responsibilities in this area relate to human rights, equality, equity and access. They are aimed at eliminating discrimination and building a multicultural Canada that is vibrant and harmonious.

As far as culture is concerned, the notions of culture and identity must be considered in the light of the new realities of our world if we want to have a broader and more relevant conception of Canada's cultural life.

• (1245)

Above all, culture is a window on the world. It is not the business of the happy few, to use a popular expression. It encompasses all the characteristics that are representative of a community or even a country. Culture is an integral part of our social fabric and our identity.

So, without culture, we have no identity. It must be emphasized that culture is not an abstract concept but a vital bond that joins us together. Canada's cultural policy was built on that premise.

I will use the economic argument by reminding you that, in 1991–92 the total contribution made by the cultural sector to the GDP was $22 billion or 3.7 per cent of the GDP. Moreover, this sector employs close to 500,000 Canadians. Therefore, it is fitting that the government should pay close attention to it.

I would go as far as to say that it is more important than ever that the government intervene judiciously in this sector, again for economic and cultural reasons. At a time when borders are becoming less clearly defined and it is imperative to protect our identity, the concept of a national cultural policy takes on a whole new meaning.

After all, let us ask the question in plain words: what is the purpose of this government's cultural policy? It is not to impose actual choices to Canadians but to ensure that quality Canadian cultural products are available on our own market. That is why we must provide to our creative artists a favourable environment for the production of their works, and safeguard our Canadian culture and truly Canadian cultural industries.

In summary, I have to say that I understand the logic behind the establishment of this department. It groups together the components of the Canadian identity and by the same token gives Canada a vision of its future identity.

It is with pleasure that I support Bill C–53.

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, I already had the opportunity to speak on the amendment by my colleague from Rimouski concerning this bill.

Today, I would like to expand on what I have already said and also remind the hon. members of the context under which I am examining this bill.

First of all, the bill proposes that the Minister of Canadian Heritage be responsible, among other things, for cultural heritage and cultural industries, including performing arts, visual and audio–visual arts, publishing, sound recording, film, video and literature.

Having said that, we must realize that the powers given to the minister extend to all matters not assigned by Parliament to other departments, and I am referring here to clause 4.(1) of the bill.

The last time, this had led me to conclude that, for all intents and purposes, this bill gives the minister of Heritage the power to talk about heritage, but no regulating power, no intervening power, no real power whatsoever to ensure the protection of Quebec and Canada's values at whatever level. However, in the last minutes, I have been listening to my colleagues claiming that this bill will have many benefits for the heritage issue.

Today, I would like to give you a concrete, specific example which illustrates that this bill does not address in any way the potential threats to our heritage. This example came to me after reading a recent article written by Mr. Henri Lamoureux in *Le Devoir*, entitled "Indecent Proposals for Artists":

• (1250)

"Indecent Proposals for Artists". "The HRD minister's plan stems from a desire to make the poor foot the bill for extravagant government spending".

By the way, Mr. Lamoureux is an author, a member of the board of UNEQ and a member of the Quebec social development council. He teaches at the school of social work of the Université de Montréal. He also sits on the federal sectoral council for culture.

You see, Mr. Speaker, now is the time to cultivate, to build tomorrow's heritage. But the minister of Canadian Heritage leaves a number of matters in the hands of his colleagues, the minister of Human Resources Development in particular, the net result being that culture and Canadian talent are in jeopardy.

Author Henri Lamoureux says that the social security reform proposal put forth by the Chrétien government may well affect creative artists at many levels. If it were to be implemented as is, it would make life quite unbearable for a number of us.

Let us try and set this in context. Creative artists are professionals with self–employed worker status. Bear in mind also that some are free lances who lend their services to producers for a fee. Take authors for example. In their trade, they have to sign contracts whereby they assign part of their royalties in exchange for a cut on the sales of their books. The sad reality is that most of them live in conditions that border on poverty and must rely on some other generally insecure and low–paid job to survive, perform their art and build our future heritage.

Allow me to complete this picture by adding that in many cases, more often than not, they have to go on welfare, but this is not of their own free choice.

So, how can the heritage minister ignore this reality? Why does he not have a word with his colleague, the HRD minister?

Allow me again to quote Mr. Lamoureux, who said this: "For example, how can we reconcile the need to be available for work with the requirements of the novel– or poetry–writing process? How can we allow artists to use the resources allocated to job training, when we know that artists will train while practising their art, generally among peers?"

Allow me, Mr. Speaker, to remind the heritage minister of some realities he seems to be unfamiliar with. You see, reading, writing, observing, realizing are research activities which to a writer are practical, professional and learning experiences.

The actress learning a role she hopes to play some day, familiarizing herself with an author, paying for dancing or singing lessons, learning while practising her art, is working on her art. To engage in these activities, artists must learn how to negotiate contracts, how to sell their products or services, even how to use computers. Artists must be versatile.

Mr. Speaker, allow me again to quote Mr. Lamoureux for the benefit of the heritage minister: "The Liberal government's narrow economic and strict industrial vision of job training suggests that we as artists can expect little from this government".

That is not all, as the heritage minister should note. As far as their access to social programs is concerned, artists are in dire straits. For instance, a writer who accepts small jobs in order to practice her art will see her eventual UI benefits reduced in proportion to her spouse's salary. This is a totally unacceptable form of supervision not only for artists but for everyone. We know that, unfortunately, this measure would affect mostly women.

Again, Mr. Speaker, I would like to quote Mr. Lamoureux for the benefit of the heritage minister:

• (1255)

"As for artists collecting UI benefits, how will the government manage the requirement to register for job training or retraining programs that the minister wants to impose on those who get so few contracts that they are condemned to precarious employment? Will a famous author who takes three, four or five years to write a novel be penalized because he takes short–term jobs to pay the rent, thus frequently having to rely on social security?"

He goes on to say: "The real motivation behind the proposed reform is to make the poorest pay for government extravagance".

My colleague from Rimouski questioned the heritage minister's ability to play tough with the industry minister. Now we have to add the human resources development minister. With the bill before us, we really do not have to wonder any more: the game is becoming quite illegal. Again, I quote Mr. Lamoureux:

"It is not right. No more so than Jean Chrétien's contemptuous mantra that individual dignity is wholly dependent on work, taken to mean some stable, paid, taxable activity".

I would really like to appeal to the Prime Minister himself to support his heritage minister and revise this bill, but I fear that I would be wasting my time.

In conclusion, I could not do better than to quote Mr. Lamoureux again: "Needless to say, in this field as in others, Quebec artists will massively side with their national government in Quebec City".

[*English*]

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I am happy to have the opportunity to speak on second reading of Bill C–53, an act to put into law the organization of the Department of Canadian Heritage.

This bill, as previous members have stated, includes responsibilities in the areas of cultural development, multiculturalism, official languages, heritage conservation, national parks, national historic sites and amateur sport.

I would like to address from this responsibility of the department two areas that are particularly sensitive in my riding of Broadview—Greenwood, which is downtown Toronto. The first has to do with cultural industries.

I have in my riding close to 14 motion picture sound stages. This is where Canadians are busy working sometimes two and three shifts a day manufacturing motion pictures mostly for export, and not just the North American markets. As of just recently, as you know, Mr. Speaker, "Degrassi Junior High" can be watched in China. When you are in your hotel room you can use your channel server. There are not very many channels in Beijing. When a group of us went there a few months ago, we noticed that Degrassi was being aired in China.

I want to talk about this industry because I think there is a great misunderstanding in the minds of Canadians about the value that the motion picture industry brings to the economy of Canada. Quite often Canadians will only focus on that part of the industry that they tend to see in lights. They tend to see the actors and actresses, the Academy Awards and the long limousines. Yet there is very little time and energy spent on appreciating what goes into making up that great industry which is so much a part of our culture.

We are talking about cameramen and women, set designers, costume designers, costume makers, lens grinders, carpenters.

• (1300)

These are craftsmen recognized right now as being the best in the world. The Canadian motion picture factories are recognized by the Germans, by the Americans as being an elite manufacturing force. It has taken many years to build that industry in this country. It has been this department of heritage that has really traditionally provided a lot of the seed money that went into supporting the artists and the craftsmen and women who go together and who today have made a world class industry.

I think it is important for all members of this House to realize that when we are speaking to the importance of this bill we never forget that the motion picture industries, the cultural industries, are a tremendous economic impact in a positive way to our GNP. The fact that this bill is going to make this department of heritage much more efficient is a credit to this government because with such limited fiscal resources these days we have to make sure that we do not do anything to diminish the support for this industry which is integral to the job creation commitment we made in the red book during the last election.

The second part of my remarks, Mr. Speaker, is something that is a little closer to your heart and it has to do with amateur hockey. I believe that Canadians need a wake up call when it comes to amateur hockey. It is not just hockey, it is amateur sport generally. Too often in the past amateur sport has been taken for granted in this country and once again we are facing a crisis with sport in this country. As most Canadians can see right now we are going to have our first ever Grey Cup final as a Canadian and American event. We have watched the demise of the Canadian Football League.

I know that is professional but the reason I think it is important is that the underpinnings of whatever sport we have in this country at the amateur level must be sustained because ultimately if our amateur level is in good shape then that will have a profound impact on the professional experience that happens in our country with whatever particular sport it is.

I would like to spend a minute or two on amateur hockey. More than ever at this moment in our history Canadians have to rally around hockey in our country because we have actually no set of books on what is going on in hockey. We do not know the number of jobs involved in Canadian hockey at the amateur level. We have no complete analysis of this. We have no idea in terms of what is happening in terms of exports related to the hockey industry.

As you know, Mr. Speaker, we are in danger right now of losing hockey as one of our prime movers and as one of our prime galvanizers. Let us take for example the teams in Atlantic Canada, in Prince Edward Island and Cape Breton and there is also a team in New Brunswick. I think those teams are vulnerable and I think we stand a very good chance of losing them. I link the relevance of that to amateur sport because once again I think that we as Canadians have to make sure that we do not do anything in this country to diminish our commitment to amateur sport in general.

Sometimes when we get involved in sport or cultural industries we enjoy them so much that we do not focus on the economic side of it. I believe we have always taken these industries for granted. If we are not very careful we are going to be in danger of losing these industries and the next thing you know, Mr. Speaker, you are going to see hockey not being run out of Canada, but out of New York.

• (1305 )

I think one way we can ensure that industry along with all the other cultural industries that are part and parcel of this bill is for Canadians to look at them not just in terms of our Canadian identity, not just in terms of holding this country together, but also looking at them in terms of the economic impact they have in making sure we have a very vibrant economy for Canada.

**Mr. Glen McKinnon (Brandon—Souris, Lib.):** Mr. Speaker, I appreciate this opportunity. I agree with the comments of the previous speaker from Broadview—Greenwood that hockey does need some fortification. As a former principal of a high

school in which hockey has just become an athletic sport in rural Manitoba, I subscribe very much to that enterprise.

It gives me a great deal of pleasure to join the debate and speak in support of Bill C–53, an act to establish the Department of Canadian Heritage. Passage of this bill will enable the department to continue to successfully pursue its mandate.

Bill C–53 is a part of a greater reorganization of government that will provide streamlining of services and will allow for a more efficient organizational structure which will prove of greater benefit to the Canadian taxpayer.

Although this department has its origins in the steps taken by the previous government in 1993, the current government has improved on these changes which are reflected in the accomplishments the department has achieved in one full year.

The Department of Canadian Heritage reflects the sweep of the new department's mandate, a mandate that includes responsibilities in the areas of cultural development, multiculturalism and official languages, heritage conservation, national parks, national historic sites and amateur sports. In these areas the department has a common objective of promoting Canadian identity.

The Department of Canadian Heritage is the chief custodian of our natural parks, parks preserves, national historic sites, heritage railway sites, historic railway sites, historic canals, marine conservation areas, heritage rivers, federal heritage buildings and of course historical markers.

These national symbols contribute to our national identity in many ways. They depict a diversity of cultures and natural environments. They are national symbols and yet they can be located in virtually any part of this country, urban, rural and remote. They are tangible links to our illustrious past and help us to understand where we as a people have come from.

The traditions of Parks Canada began in 1885 and are now embraced by the Department of Canadian Heritage. These traditions will continue to protect, preserve and promote these natural parks and sites which are important to Canadians.

Another key aspect to Canada's parks and historic sites is the importance to the Canadian economy. National parks and national historic sites generate annual revenue in excess of $1 billion, including some $275 million from foreign tourists, and provide jobs for some 30,000 Canadians, both men and women.

Heritage tourism in Canada is also a major job creation activity. Taking national parks and historic sites as an example, it is estimated that for every person year of employment generated as a result of Parks Canada expenditures, between 2.5 in the Atlantic regions and 12.5 in the Alberta region person years are supported as a result of investment by partners in sectors directly or indirectly linked to tourism.

A large portion of these jobs are generated in economically less advantaged areas of the country.

• (1310)

The Department of Canadian Heritage recognizes the cultural diversity of Canada through its multiculturalism policy. I have heard the members opposite denigrate the efforts of the multiculturalism sector of the Department of Canadian Heritage.

The sector works in partnership with Canadian institutions, ethnocultural communities, individuals, immigrant serving agencies and other organizations to eliminate racism and promote integration of ethnocultural minorities in Canadian society.

Certain members opposite would have us believe that multiculturalism is multimillion dollar boondoggle. However, I would point out that on a per capita basis multiculturalism grants cost each Canadians less than $1. The multiculturalism program has the aim of promoting equal opportunity for all Canadians to participate in the social, cultural, economic and political life of this country.

It would be foolish to get rid of multiculturalism on the mistaken notion that it exists to finance ethnic folk dances. The aim of multiculturalism is to help immigrants fit into Canadian society.

I might also point out to the members opposite that they say the multiculturalism model does not work. I would like them to become aware and consult with those Canadians who are grateful for the multiculturalism policy and its benefits.

The Department of Canadian Heritage not only recognizes the Canadian diversity among Canadians but also our linguistic duality. Canada's two official languages are intrinsically linked to Canadian identity and culture.

Canada's linguistic landscape is dominated by our two official languages, as English or French is spoken by 98.6 per cent of the Canadian population.

The Department of Canadian Heritage is committed to supporting the development and enhancing the vitality of linguistic minority communities in all sectors and encouraging Canadians to learn their second official language.

The Department of Canadian Heritage, with its official languages policies, provides funding for second language instruction for all provinces and territories. The French immersion experience constitutes the most studied phenomenon in the recent history of education in Canada and it is the consensus of experts that it is an excellent method to learn a second language.

Another facet that fosters the Canadian identity is the amateur sports component of which I spoke briefly a moment ago, which is also a valued component of Canadian heritage. Games and

related events like the Canada Games and the 15th Commonwealth Games held this summer in Victoria are a fundamental vehicle for fostering and illustrating important Canadian values such as the pursuit of excellence and cultural diversity.

Finally, the Department of Canadian Heritage has focused its efforts on the management of cultural development in Canada. The Department of Canadian Heritage nurtures and supports culture. It does so because it not only enriches our lives, it also improves the economic well–being of Canadians.

Despite what other members would have us believe, culture adds richness to our lives, giving people a way to express creativity and at the same time creates jobs and wealth. Bringing the cultural functions together in a single department will enable the Government of Canada to take more concrete action, making it possible to defend the interests of cultural minorities across this country.

In addition, the department is responsible for providing funding and encouraging cultural agencies that have a national mandate such as the CBC, the National Arts Centre, the Canada Council, Telefilm Canada and the National Film Board.

Clearly the mission of the Department of Canadian Heritage is closely linked to the major issues facing Canada today. It is more important than ever to start thinking of the importance of Canada's cultural complexity as an asset at a time when economies are opening up in different countries and around the world. That is why I strongly urge the quick passage of this bill.

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

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Kilger):** In my opinion the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Kilger):** Call in the members.

*And the division bells having rung:*

**The Acting Speaker (Mr. Kilger):** Pursuant to Standing Order 45 I have been requested by the deputy government whip to defer the division until a later time. Accordingly, pursuant to Standing Order 45 the division of the question now before the House stands deferred until tomorrow at 5.30 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

**Mr. Boudria:** Mr. Speaker, because of the rapid progress made this morning I think you might find unanimous consent to suspend the sitting until 2 p.m.

**The Acting Speaker (Mr. Kilger):** The House has heard the terms of the motion by the chief government whip. Is it agreed?

**Some hon. members:** Agreed.

(The sitting of the House was suspended at 1.16 p.m.)

[*Translation*]

SITTING RESUMED

The House resumed at 2 p.m.

**The Speaker:** It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[*English*]

### JUSTICE

**Mr. John Maloney (Erie, Lib.):** Mr. Speaker, does a civilized society allow people who commit criminal acts to be exonerated if they are so intoxicated of their own volition as to not be able to form the intent to commit the crime? I think not.

After reading the decision of the Supreme Court of Canada in the Henri Daviault case I find that I must agree with the dissenting view. Although I can understand the legal arguments put forward by the six Supreme Court justices I do not accept them. I believe there is a point where common sense must be used instead of common law of this nature.

It has been suggested this defence would be so rare that corrective measures would be unnecessary. In the two months since the decision there have been four successful uses of the drunkenness defence. The dike is about to open.

The point is simple. Individuals are accountable for their conduct notwithstanding their intoxication. The message must be loud and clear: Drunkenness is not a defence. I ask the Minister of Justice to promptly legislate this common sense rule for the integrity of our justice system and for the good of Canada.

[*Translation*]

## 3TC AIDS MEDICATION

**Mrs. Pauline Picard (Drummond, BQ):** Mr. Speaker, a brand–name pharmaceutical company in the Montreal area, Biochem Pharma, has made an important scientific and medical breakthrough with its AIDS drug, 3TC. With clinical results that have been called spectacular, 3TC well illustrates the research work done by brand–name drug companies.

This result could not have been achieved without the protection provided by the Drug Patent Act, which encourages multi-million–dollar investments in this field in order to increase the potential of biomedical research. Nevertheless, prudence is in order and we must not raise false hopes. Our society has a moral obligation to act cautiously, in a way that respects AIDS patients.

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[*English*]

## MEMBERS OF PARLIAMENT PENSIONS

**Mr. Mike Scott (Skeena, Ref.):** Mr. Speaker, I rise today to commemorate Trough Day, this auspicious day when 52 members mostly from the Liberal caucus have achieved that noble milestone of having served for six years. Today they are about to reap the rewards of that remarkable achievement.

I must say that these Liberal MPs must be breathing a huge sigh of relief. Their red book promises seem to jeopardize their pensions, but the Prime Minister being the good guy that he is has come through for them. His inaction on MP pensions has guaranteed that the trough is in fine working order in spite of the red book rhetoric.

Oh what a happy day for all the newest members of the pension payoff as they witness the old trough filled to the brim with hard earned taxpayers' dollars.

A word of warning to our gleeful colleagues though. These pensions are not regarded as a sacred trust by either the Reformers or the taxpayers. We will use whatever legal means are available to dismantle the trough and end this shameful abuse of taxpayers' money just as soon as we are sworn in as government after the next election.

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## NATIONAL CHILD DAY

**Ms. Albina Guarnieri (Mississauga East, Lib.):** Mr. Speaker, on Sunday, November 20, Canadians all over the country celebrated National Child Day. The Government of Canada designated this special day to pay tribute to children and everything they offer us today and in the future.

[*Translation*]

November 20 also marks the adoption, by the UN General Assembly, of the Convention on the Rights of the Child. That convention is important because it deals with every aspect of the life of children and youth. It recognizes that, to reach his full potential, a child needs to grow in a climate of happiness, love and understanding. In short, the convention provides a framework to value and respect children and youth as full–fledged human beings.

[*English*]

I call on members of this House to join in the celebration of children and to think about some of the more pressing issues still facing children and youth in Canada. By working together we will realize the full potential of the convention on the rights of the child.

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## GUN CONTROL

**Mr. Russell MacLellan (Cape Breton—The Sydneys, Lib.):** Mr. Speaker, today we have heard the need for stricter gun control from representatives of the Coalition for Gun Control and women's groups. I congratulate these groups for pointing out how controlling the legal acquisition of firearms is an important issue for women.

According to Statistics Canada a woman is shot to death every five days in our country. Guns are the weapon of choice by husbands who kill their wives. Indeed, almost half of the women killed by their partners are shot and 78 per cent of the guns used are legally owned.

We believe that enhanced gun control will go a long way toward reducing the number of women killed by their partners.

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## CARDIOPULMONARY RESUSCITATION

**Ms. Hedy Fry (Vancouver Centre, Lib.):** Mr. Speaker, it is my pleasure to remind the House that November is Cardiopulmonary Resuscitation Awareness month.

Cardiovascular disease is the leading cause of death in Canada today. More than 80,000 Canadians will die this year from heart attacks and strokes.

CPR, cardiopulmonary resuscitation, is a simple life saving skill learned in less than four hours, yet less than 3 per cent of Canadians know how to perform it. The Heart and Stroke Foundation of Canada in co–operation with the Canadian Red Cross Society, St. John Ambulance, the Canadian Ski Patrol, the Royal Life Saving Society of Canada and the Advanced Coronary Treatment Foundation encourage all Canadians to take the time to learn CPR.

CPR efforts complement cardiovascular disease strategies implemented under the Canadian heart health initiative. These

have been developed between the 10 provinces and the Heart and Stroke Foundation of Canada.

I ask members of the House to support the initiatives and programs of CPR Awareness Month and to urge all Canadians to familiarize themselves with CPR. A few hours of your time could save a loved one.

* * *

[*Translation*]

## HUMAN RIGHTS

**Mr. Philippe Paré (Louis–Hébert, BQ):** Mr. Speaker, the Prime Minister of Canada displayed a great deal of condescension last week when he deigned to stop in Vietnam. The Prime Minister said: "I could have visited much larger countries, but I am a Liberal and I do not want to always side with the big ones. I like being with those who experience real difficulties".

What a nice attitude on the part of the Prime Minister towards a country whose population is three times that of Canada. His paternalistic feelings towards such small countries are quite something, especially when it comes to raising the issue of human rights. The Prime Minister expresses his democratic convictions much more timidly when he is with the biggies.

Indeed, during his trip to Asia, the Prime Minister insisted to fraternize with several heads of state who systematically violate human rights, thus showing very little consideration for the victims.

* * *

• (1405)

[*English*]

## YOUNG OFFENDERS ACT

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, real consequence is often necessary in life and living to prevent a strong willed child from touching a hot stove or to keep a young person from a life of crime. Real consequence is missing from the Young Offenders Act.

Canadians want changes to the Young Offenders Act calling for greater deterrentce and accountability of the offender and greater protection for the rights of the victim. One petition printed one day just over one month ago in the Vancouver *Province* resulted in over 13,000 letters and faxes sent into my office from across B.C. They were from concerned citizens who chose not to just read about but act upon their concerns for our youth.

I am pleased as their representative that the minister has agreed to accept their many testimonials, letters and petitions in a presentation in the House lobby today.

On behalf of those Canadians I call on the Minister of Justice and all members of the justice committee to look past social philosophy and respond to the concern in our communities.

* * *

## GREAT WHALE PROJECT

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, I would like to say just how much I welcome the good news that the Great Whale project in northern Quebec has been shelved.

I hope this comes to be seen as a watershed decision after which our civilization's energy problems will come to be solved by changes on the demand side through conservation and the pursuit of soft energy paths. The Government of Quebec is to be congratulated on this decision.

[*Translation*]

This decision is a great victory for environmental groups and natives in the region who fought against the project. On behalf of all Canadians, I thank them for their courageous efforts and for giving us hope.

* * *

[*English*]

## CRIMES OF HATE

**Mr. Gar Knutson (Elgin—Norfolk, Lib.):** Mr. Speaker, I am pleased to stand and praise Bill C–41 that has now passed second reading and has been sent to the justice committee for consideration.

Bill C–41 clearly states that acts of hate shall be considered for additional punishment over and above the original crime that has been committed. In other words if the intent of assaulting an individual is not only to inflict pain but to intimidate others, then two crimes have been committed, one of violence and one of hate.

I fully support this legislation. It will benefit all Canadians since every Canadian has a colour, religion, age and sexual orientation. I urge all members to support Bill C–41.

* * *

[*Translation*]

## NATIONAL CHILD DAY

**Mrs. Eleni Bakopanos (Saint–Denis, Lib.):** Mr. Speaker, yesterday, Canadians marked a day that is very important for the family unit and for society in general.

National Child Day is an opportunity for us to emphasize the importance of children in our society. We must all work hard to ensure that our children can lead happy and productive lives, because they are Canada's future.

[*English*]

It is our responsibility as members of this House and for many of us as parents to ensure that no child in Canada should have to live in poverty, die of hunger, suffer from sexual abuse or be a victim of child pornography or prostitution.

[*Translation*]

Mr. Speaker, I also want to draw the attention of the House to the fact that community organizations in the riding of Saint–Denis are doing an incredible job in working with children. I would like to refer more particularly to what is being done by the Jouthèque de Villeray, which assists disadvantaged women and children in many ways.

Finally, I wish to commend the hon. member for Ottawa Centre on his contribution towards creating this important day.

* * *

[*English*]

## GREAT WHALE PROJECT

**Hon. Charles Caccia (Davenport, Lib.):** Mr. Speaker, the cancellation of the Great Whale hydroelectric project announced on November 18 represents a great victory for the Cree people. Under the fine leadership of Matthew Coon–Come they led a successful campaign mobilizing public opinion against this ill–conceived project.

Let us hope its cancellation will lead to the future adoption of policies whereby the environment will be taken into account before decisions are made. In this case no consideration was given to the fact that flooding would once again lead to the formation of methyl mercury which in turn poisons the fish and those who eat them.

Let us also hope that the era of large hydroelectric projects in Canada has come to an end and that future energy needs will be met through greater energy efficiency and conservation, through greater discipline in energy consumption and through intensified research on alternative and renewable sources of energy.

* * *

[*Translation*]

## JAMES BAY AGREEMENT

**Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ):** Mr. Speaker, on April 20, 1989, an aboriginal leader rose in the State House in Augusta, Maine, to speak to its representatives about the James Bay agreement. He said that as a people, they had won the assurance that they would be able to preserve their way of life, including hunting, fishing and trapping rights and their language and culture.

• (1410)

Thanks to the agreement, they obtained what they never had before: full responsibility for education, through the Cree School Board, for social and health services, for the management of their land, and a strong voice in the approval of new developments on their land, rights that respect the land's resources, rights that guarantee police protection and a justice system adapted to their needs, and guarantees that they will be able to participate fully in the development of sub–arctic Quebec.

The speaker was none other than Matthew Coon–Come.

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[*English*]

## PEARSON INTERNATIONAL AIRPORT

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, the Minister of Transport keeps suggesting that the Reform Party is putting the taxpayers' money at risk in the Pearson contract. The truth is it is the government that did this by refusing to act on my proposal before this issue went to court.

Large sums of the very taxpayers' money the government claims to be concerned about is now being spent on ineffective legal roadblocks trying to delay the court action. If the minister had agreed to the proposal I sent him last month, funds could now be spent determining the truth instead of trying to cover it up.

There are many ways in which the claims against the government could be effectively reduced, particularly in the case of third party contractors. These solutions will never be found if the government continues to try and protect itself by changing the laws instead of seeking practical solutions.

I now call on the minister to meet with me so that we can arrange an alternative that will see justice done without unnecessary expense for the Canadian taxpayer.

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[*Translation*]

## YOUTH SERVICE PROGRAM

**Mr. Nick Discepola (Vaudreuil, Lib.):** Mr. Speaker, on October 26, the Bloc member for Lévis insinuated that the Minister of Human Resources Development was trying to go against the Quebec government in the matter of youth service, and I quote:

> Does the minister not admit that his attitude in the youth service matter clearly shows that he is trying to muzzle the Quebec government?

According to the Quebec newspaper *Le Soleil*, because of the enthusiasm created by the first two parts of Youth Service Canada some 52 schools and community agencies proposed projects.

But we also learn that two weeks ago the assistant deputy minister of education, Mr. Jacques Lanoue, wrote Mr. Michel Walsh, director of adult education at the Portneuf school board, one of the 52 organizations wishing to benefit from the Youth Service program, to ask him not to sign any agreement with Ottawa. This request by the Quebec deputy minister is disquieting because it will prevent young Quebecers from getting an important part of the budget of $15 million.

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[*English*]

## TEAM CANADA

**Ms. Bonnie Brown (Oakville—Milton, Lib.):** Mr. Speaker, Canadians love success stories, especially about themselves. That is why everybody is talking about the Prime Minister's trade mission to Asia. One hundred and forty political leaders and 350 executives created the impressive Team Canada. They signed almost $10 billion in contracts in China and Indonesia.

New contracts lead to new jobs and help us in our task of getting Canadians back to work. But this mission achieved something even more impressive. It re–established an atmosphere of co–operation in federal–provincial relations. It showed Canadians that the premiers and the Prime Minister can work together. It showed them that federalism does work.

Nothing succeeds like success. I for one am hopeful that this new sense of co–operation is the basis for future success stories and that Team Canada carries on.

* * *

## MEMBERS OF PARLIAMENT PENSIONS

**Mr. Dick Harris (Prince George—Bulkley Valley, Ref.):** Mr. Speaker, the Prime Minister in his Liberal red ink book had promised to reform the MPs pension fund. While in opposition the Prime Minister was concerned that this issue was of such importance he wanted to recall Parliament to end double dipping and establish an age requirement with respect to the collection of pensions.

Today 46 more Liberal trough feeders are joining the crew. The golden pension for these 46 will cost Canadian taxpayers almost $1 million when they leave Parliament.

The government had to borrow $158 million to top up the pension plan in 1992. The Prime Minister should end this lunacy and live up to his promises of past and present. Regardless of what his 46 new trough feeders think, he should make any new pension reform retroactive to election day, October 25, 1993.

# ORAL QUESTION PERIOD

• (1415)

[*Translation*]

## INTERNATIONAL TRADE

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, Liberal members have decided to resurrect the third option favoured by the Trudeau government to reduce U.S. influence on the Canadian economy. The majority report's recommendation to make the Asia–Pacific region Canada's export market par excellence is the one that will be debated and that has been submitted to the government.

People will start wondering why the government did not concentrate on developing our trade relations with the United States now that NAFTA has been ratified.

My question is directed to the Prime Minister. Does he endorse the misgivings of his members who see trade relations with the United States as a problem rather than a benefit, and should we see this as lingering Liberal opposition to the free trade agreement?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, certainly not. However, everyone realizes that the Pacific is becoming increasingly important. At the APEC Conference held in Jakarta, where the United States and Canada were represented, everyone was in favour of free trade in that area, because that is where the world's population and economic growth are concentrated. And that is why Canada wants to participate. In fact, the Americans do as well. This will not affect our trade relations with the United States. There are considerable opportunities there for Canadians and Canadian industry. I think this was a joint decision by all Canadians, since nine Premiers representing three political parties were there, and they all agreed with our decision to take advantage of expanding markets in the Pacific to create jobs in Canada.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the Prime Minister knows perfectly well that 80 per cent of Canadian exports, and a little more last month, go to the United States, while the figure for Asia is about 7 or 8 per cent.

That being the case, I would ask him whether he endorses the suggestion made by members of the committee who, now that NAFTA has been ratified, recommend eliminating trade commissioner posts in the United States and Mexico.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, on the contrary, we signed NAFTA, and I have had discussions with, for instance, the President of Chile and the President of Mexico, and in those discussions we supported the inclusion of Chile in NAFTA, because we believe it is important

to have more than just three countries in this association, and we will definitely talk about this at the summit next month in Miami.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, we do not need good intentions. We need concrete action on government policies. I would ask the Prime Minister whether he does not consider it essential to maintain the network of Canadian trade commissioners in the United States in order to support the efforts of Canadian businesses, especially SMEs that want to take advantage of new markets that have opened up as a result of NAFTA.

[*English*]

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Department of Foreign Affairs and International Trade is always looking at our country's needs everwhere in the world. Of course with the restriction that every department is facing at this time there is a review of all the posts that are open. We will keep those that are absolutely needed in accordance with the amount of money we can spend.

There is no such proposition whereby we want to reduce the level of trade with the United States. At the same time we want to increase trade with the Pacific rim. Our economy will benefit through good trade relations with the United States and better relations than now with the Pacific where the growth and potential is at this time.

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[*Translation*]

## MATTHEW COON COME

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, last Friday in Washington, the Grand Chief of the Grand Council of the Crees, Matthew Coon Come, continued his systematic campaign to denigrate Quebec in the United States, accusing Quebec of racism towards the Crees. In the same speech, he referred to the James Bay Agreement as an instrument for oppression and dispossession.

Does the Prime Minister dissocate himself from Mr. Coo Come's untruthful remarks? Does he intend to instruct the Canadian embassy in Washington to intervene and set the record straight concerning the Crees' situation in Northern Quebec?

• (1420)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I did not read this speech by the chief of the Crees of New Quebec. I believe that it is not the government's role to go and make speeches whenever someone says something we do not quite agree with.

This Cree chief makes speeches; he has opinions and he expresses them. This does not mean that we must agree with him. In a country where freedom of speech exists, all citizens are entitled to express their own point of view. When someone says things with which the Bloc Quebecois does not agree, it can respond. It has the right to do so. If the Liberals do not agree, they can do the same.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, we noticed that the Prime Minister neither completely agreed nor completely disagreed with Mr. Coon Come. It would be interesting if he could tell us what he agrees with.

Would the Prime Minister not agree that instead of hunting separatists, his ambassador in Washington should spend more time putting the facts straight, since the Cree defamation campaign is bad not only for the image of Quebec in the U.S., but also for the image of Canada as a whole?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I was saying earlier that there is freedom of speech in Canada as well as in the United States. No one, anywhere, is supposed to have his or her speeches cleared by the ambassador. People make speeches and if the hon. member does not agree with them, he can answer them. The audience of the Cree grand chief is known. The hon. member can write and put the facts straight.

I know that Crees in Canada have many long–held grievances. I was Minister of Indian Affairs and I know that the citizens of the First Nations have been complaining for a long time. They did not always get justice, and they have reason to complain.

As for his choice of words, when I was minister, I was the target of some inflated vocabulary but I am not the one to rescind their freedom of expression.

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[*English*]

## MEMBERSOFPARLIAMENTRETIRINGALLOWANCES ACT

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, today is the biggest day on the government's parliamentary calendar trough day, when over 50 MPs qualify for lifetime gold plated pensions, well over 80 per cent paid for by the taxpayers of Canada.

For over one year the Prime Minister has promised to allow MPs to opt out of these obscene pensions and to make private arrangements on the same basis as other Canadians.

Does the Prime Minister agree that MPs pensions should be brought in line with private sector standards or not?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we said clearly in the red book that we would deal with some problems regarding pensions of members of Parliament. We talked about double dipping and the situation that prevails when some retire very early in life and get a very big pension.

These two problems are mentioned in the red book and will be corrected when the President of the Treasury Board will introduce legislation within a month or two in this House.

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, the Prime Minister mentions correcting the age problem. It has been suggested that the government may raise the age of eligibility for the MP pension to 55. On this basis alone, the MP pension would still be more generous than 99.9 per cent of all private sector plans.

Will the Prime Minister admit that such tinkering is totally inadequate to deal with the problem?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have always defended the compensation that members of Parliament receive.

I understand the Reform Party believes that they are overpaid. I do not understand why. They look at themselves and they think they are overpaid.

**Mr. Stephen Harper (Calgary West, Ref.):** Mr. Speaker, if the Prime Minister's salary were tied to the financial performance of the Government of Canada, he would be overpaid by about half a billion dollars a year.

In recent years both the Alberta and Prince Edward Island governments have made significant reforms to their pensions, reforms that affected past members already benefiting from the excesses they had voted themselves.

• (1425)

Will the Prime Minister commit in principle to applying any reform to MP pensions to past MPs as well as to sitting MPs?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** I have to smile, Mr. Speaker, because some of these members were grandstanding when they offered to cut their pay by 10 per cent. Now they say that they have not received any credit for that so they will stop. I think they are just grandstanding again. The people of Canada understand that that party has been a complete failure since the election.

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[*Translation*]

## COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

Last week, the Minister of Intergovernmental Affairs stated that, with only minor modifications, the facilities at Kingston would be able to accommodate all Canadian Forces officer cadets as early as next year. For this reason, he dismissed the proposal for a gradual transition that the mayor of Saint–Jean had made and that was perfectly acceptable to the Quebec government.

Can the minister tell us if there is any truth to the rumour that the government plans to build additional facilities next year to accommodate some 700 officer cadets to meet the requirements resulting from the closing of the military college in Saint–Jean?

**Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.):** Mr. Speaker, the government of Quebec keeps playing with the lives of members of the community in Saint–Jean and with those of the teachers.

We have an agreement in hand, an agreement signed by both levels of government, ensuring that the college in Saint–Jean can survive, while the community continues to prosper. There are no hidden costs. All costs are in the open and there are substantial savings to be made by concentrating our military college operations in Kingston. The situation remains unchanged. All I am asking from the Quebec government is that it honour its signature on this document, which constitutes an agreement in due form between the governments of Quebec and Canada.

**Mr. Claude Bachand (Saint–Jean, BQ):** Mr. Speaker, if I interpret correctly what the minister said, additional facilities will indeed be built next year. That is what I understood.

Does the minister recognize that, in spite of the major outlay of capital forecast by the government to increase the accommodation capacity of the college in Kingston, existing facilities will definitely not meet the needs during the transition period, while the officer cadets population is brought down from 1,200 to 900, this being the opinion of the commanding officer of the Collège militaire royal de Saint–Jean himself, Colonel Parisien?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, all of the financial facts dealing with the closure of the two colleges were tabled at the standing committee some months ago. They were not challenged by members of the opposition. They were not challenged by other members of the public.

There were expenditures that were authorized by the previous government to begin construction in 1995. These had nothing whatsoever to do with the consolidation of the colleges into Kingston but had to do with the need for ongoing repairs and new facilities that would have been required in any event.

With respect to some allegations that we will have to build a dormitory, that is entirely false because there are enough dormitory beds available at CFB Kingston to accommodate the overflow until we get to a steady state of about 700 to 800 cadets, which will be within three or four years.

## APEX SKI RESORT

**Mr. Jim Hart (Okanagan—Similkameen—Merritt):** Mr. Speaker, for almost three weeks now three Indian bands have illegally blocked the road to the Apex ski resort near Penticton, British Columbia. Two hundred and fifty people have been denied their right to work. The owners of the resort are facing financial ruin and the 300 homeowners in the Apex area are subjected to daily harassment.

Feelings in the non–native and the native communities are running high and the battle lines are being drawn in a dispute that I fear is headed for violence. Yet the minister of Indian affairs has refused to act.

Will the minister live up to his constitutional responsibilities and take immediate action to end this dispute peacefully?

• (1430)

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, as the hon. member stated this has been going on for about three weeks. The deputy minister, John Walsh, who is also my nephew by marriage, by Ojibway custom, has been meeting with senior officials of the band. Some proposals have been put forward. I am not at liberty to state what they are. I do not think negotiations are going well and the province of B.C. is bringing injunctive action this morning.

I do not know the results of the injunctive action. My hon. friend and I will probably hear at the same time and we will know the results of the injunction later today.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, as I mentioned, this situation is reaching near–boiling point and something is going to happen unless the minister takes immediate action.

This dispute over the Apex resort is only a symptom of a deeper long–standing problem. This year federal government funding to the Penticton Indian Band is more than $2.5 million. In spite of denials by the band, some of this money is being spent to pay those manning the illegal blockades $10 an hour. Meanwhile the 250 employees at the resort are paying a terrible price and some have to draw UI at the taxpayers' expense.

Will the minister of Indian affairs immediately suspend all funding transfers to the Penticton Indian Band, as he did recently with the Lower Similkameen Band election dispute, until the illegal roadblocks are removed and the band sits down at the bargaining table?

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, there is a man in my friend's riding named Tom Landecker. He wrote a letter. I adopt the method he is proposing. He uses the ski area. He says: "Every time I do so I am reminded of the 100–year history of the relations between our two communities, a history littered with broken promises and missed opportunities".

At the end of it he says: "The only resolution to this situation is through mediation of the provincial government". I think it is appropriate and is something that is being done. If it breaks down then there is the recourse to the court, which is happening as we speak.

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[*Translation*]

## DRUG INDUSTRY

**Mr. Yves Rocheleau (Trois–Rivières, BQ):** Mr. Speaker, my question is for the Prime Minister.

During the Prime Minister's recent trip to Asia, a group of his Liberal members from Ontario proposed to the Joint Committee for the Scrutiny of Regulations that the regulations made pursuant to Bill C–91 be abolished. This unusual procedure used by the committee could have jeopardized major investments by brand–name drug manufacturers.

Is the Prime Minister dissociating himself from his colleagues' initiative and does he promise to immediately allay the concerns—

**Some hon. members:** Order!

**The Speaker:** My dear colleagues, from time to time, questions are asked which do not deal with the government's administrative responsibilities. Perhaps the hon. member could rephrase his question a little to make it admissible.

I would ask him to rephrase his question a little so that it deals with the government's administrative functions.

**Mr. Rocheleau:** Mr. Speaker, is the Prime Minister dissociating himself from his colleagues or does he intend to keep the regulations made pursuant to Bill C–91?

**Some hon. members:** Order!

**The Speaker:** My dear colleagues, I will allow the question if the Prime Minister is willing to answer it. The Hon. Minister of Industry.

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, the hon. member knows full well that questions must deal with matters for which the government is responsible and not with committee matters.

[*English*]

I would like to point out to the hon. member that if the Bloc Quebecois does not believe that parliamentary committees should scrutinize regulations, its members ought to say so. For my part, I believe I have stated many times in the House the position of the government on Bill C–91. Despite the fact that we have continually reiterated that position, the Bloc has difficulty understanding it. That I find very strange.

[*Translation*]

**The Speaker:** Does the hon. member have a supplementary question?

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, the regulations made pursuant to Bill C-91 cannot be reviewed before 1997. The Prime Minister said last spring that the government would not touch Bill C-91.

• (1435)

Can the Prime Minister assure us that the law will not be reviewed before the spring of 1997?

**The Speaker:** Again, dear colleagues—

[*English*]

The government does not control what is going on in the committees per se. However, in a very general way I will accept the question.

**Hon. John Manley (Minister of Industry, Lib.):** Mr. Speaker, if I understood the question correctly, the member was asking whether we intend to reform

[*Translation*]

—Bill C-91 before the parliamentary review already provided for in the bill. We answered this question several times. We will honour our international commitments under NAFTA and under the Uruguay Round agreement.

As far as the matter of regulations is concerned, there is a parliamentary committee with the authority to review the regulations. This committee has the jurisdiction to do what it wants.

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[*English*]

## NATIONAL DEFENCE

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Mr. Speaker, the Minister of National Defence has agreed to an open, civilian led inquiry into the allegations of gross misconduct during the Canadian Airborne Regiment's deployment to Somalia.

However I am concerned that he seems determined to delay this inquiry for several months. Such a delay will inevitably involve the events becoming more remote, the trail more cold and the truth more difficult to ascertain.

Why will the minister not initiate this inquiry immediately so that all the facts can be determined and the cases evolving from it settled in the full light of public scrutiny?

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I answered this question in reply to the Leader of the Opposition last Thursday when I announced the inquiry.

It is imperative that all of us ensure that justice be done and the judicial proceedings involved with the court martials be concluded before any inquiry takes place. I have given assurances that once the judicial process is completed, the inquiry will be open and civilian, and will answer all of the questions that the hon. member has.

**Mr. Jack Frazer (Saanich—Gulf Islands, Ref.):** Mr. Speaker, the minister misses the point. No one questions that the military justice system is constitutional and generally effective, but the Somalia situation seems to be an aberration.

There is concern that evidence has been deliberately suppressed or destroyed. Some aspects have been described by Kyle Brown as a turkey shoot. Both those accused and the Canadian forces themselves have come under suspicion which can only be resolved by a prompt, open and absolutely unbiased investigation.

To ensure justice is done and seen to be done, will the minister order that the now scheduled court martials be delayed until after the civilian inquiry is completed?

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, for the reasons I have already stated, no.

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[*Translation*]

## CRIMINAL CODE

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, my question is for the Prime Minister. In his Bill C-41, amending the Criminal Code, the Minister of Justice proposes harsher sentences for those who commit hate crimes, including those based on the victim's sexual orientation. A large of group of government members openly challenge this amendment and the authority of the Minister of Justice.

Does the Prime Minister intend to demand a party vote on Bill C-41 or will he submit to the sixty or so members of his caucus who oppose this bill and are calling for a free vote on this issue?

[*English*]

**The Speaker:** Once again we are getting into party things as opposed to administrative functions of the government. I would ask hon. members if they could raise their questions so that we deal directly with the administration of a particular department of government. It would facilitate matters.

I will permit the Minister of Justice to respond if he so wishes.

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, may I make it clear that the Prime Minister has already said that this is a government bill and it will be presented to the House on that basis.

• (1440)

[*Translation*]

**Mr. Pierre de Savoye (Portneuf, BQ):** Mr. Speaker, am I to understand from the minister's answer that the Prime Minister will force the sixty or so members who oppose the justice minister into line, reminding them that this is a government bill as well as a party promise?

[*English*]

**The Speaker:** I rule this question out of order.

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## JUSTICE

**Mr. Gary Pillitteri (Niagara Falls, Lib.):** Mr. Speaker, my question is for the Minister of Justice.

The provincial government announced new measures which would crack down on under age strippers by fining club owners and having their licences suspended if they continue with their hiring practices.

In keeping with the Liberal red book promise of stricter penalties against youth exploitation, can the minister tell us what he plans to do?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, like all Canadians I was appalled to learn that adolescent or juvenile girls might be exploited in these strip clubs. It has to stop. All levels of government have to collaborate in making it stop.

As the hon. member knows, there are provisions in the Criminal Code which make it criminal conduct to present an obscene performance. The participation of a juvenile girl in such a show might itself be sufficient to render that performance obscene.

I would hope that those sections already in the criminal law would be enforced vigilantly by the province through prosecutions.

As the hon. member pointed out there are also provincial steps that can be taken in relation to licensing. Last, there are municipal zoning that steps can be taken. Working together all levels of government must bring an end to this deplorable practice.

* * *

## IMMIGRATION REFUGEE BOARD

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, my question is for the minister of immigration.

Despite the minister's call for a judicial inquiry into the performance of vice–chair of the Immigration Refugee Board, Michael, Schelew, it looks as though it might not get off the ground. After the announcement of the inquiry Schelew said he would not co–operate.

Given that Schelew thinks he is above the law, will the minister of immigration admit that the best way to deal with Mr. Schelew is not send a pretty please invitation to a judicial inquiry but send him a pink slip and immediately demand his permanent resignation from the board, like he did with his other friend, Inderjit Singh Bal?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, on Friday we made public the fact that I had recommended under section 63(1) of the Immigration Act that we move to a judicial inquiry because enough questions had been raised about the response by the deputy chair and the initial report by the chair.

The matter is now in the hands of my colleague the Minister of Justice. The terms of reference and the judge will be appointed by him. No one is above the law. We are following the law and we expect everyone to participate.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I trust that the minister will recommend that the judge hold Mr. Schelew in contempt of court for refusing to appear.

Given that the minister has called a judicial inquiry, will he expand that inquiry to include IRB members who have been artificially inflating acceptance rates? Will the minister refer an investigation of the entire IRB executive to the Standing Committee on Immigration?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, for weeks on end that party has lectured the House about quasi–judicial boards. Now the member suggests that I call a judge and give that judge direction. I will do no such thing. The Minister of Justice has the responsibility. He is a responsible minister.

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[*Translation*]

## NATIONAL DEFENCE

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, my question is for the Minister of National Defence.

Last Friday, the defence minister touted the merits of Unisys, which he said was the best company in the world for providing computer services for Canadian frigates. From 1992 to July 1994, defence department officials in charge of this issue denounced Unisys's incompetence and inability to meet the terms of the contract and deplored the waste of public funds.

How does the minister explain his refusal to follow up on the recommendations of his officials who have repeatedly denounced the waste of public funds in the Unisys matter?

• (1445)

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I do not know how many times one has to repeat answers to get through to the hon. members opposite. This was essentially the same question that was asked by one of his colleagues on Friday. I gave the answer.

If the hon. member still does not accept the answer then I would invite him to attend a briefing to be given by national defence officials. We will lay out all the terms of the contract, how it was renegotiated, how the concerns were met. I am sure the hon. member then will not continue to do what his colleagues started on Friday, denigrate a very worthy company based in Montreal which happens to be in his province, Quebec.

[*Translation*]

**Mr. Jean–Marc Jacob (Charlesbourg, BQ):** Mr. Speaker, I would like the defence minister to understand that whether it is a Quebec company or not, if public funds are wasted, we will denounce it. If officials have told the department that the company was not fulfilling its mandate, the department ought to let the company know.

Are we to understand that in order to hide this waste of public funds, his department has decided to remove the officers responsible for monitoring contract compliance?

[*English*]

**Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, the department did not put aside any officials. There was a problem with the development of the specific combat training systems. I explained that on Friday. It is not unusual when you are dealing with high tech, highly specified equipment. The terms of the contract were renegotiated and the first tests are under way right now with the Canadian patrol frigate and I do not see where any problem remains.

I would invite the hon. member to be briefed by my officials and after that briefing I would challenge him whether he will ask these same questions in the House because I think he will be entirely satisfied.

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## JUSTICE

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, on Friday the Deputy Prime Minister was quoted as saying "when you make policy as a government you can't make laws based on exceptions". That is good advice. Perhaps she could have shared it with the Minister of Justice.

The Criminal Code in this country states that people should be punished for rape, physical assault and battery except, it appears, when the criminal has had too much to drink or is too stoned to realize what he is doing.

The justice minister does say he is concerned. Is he concerned enough to end the drunk defence now?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, I am concerned enough and this government is concerned enough to end it as soon as we can responsibly prepare a provision for the Criminal Code that will withstand an attack under the Charter of Rights and Freedoms and that will achieve the objective we all have in mind which is accountability in the criminal law.

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, where there is a will there is a way and this government, with all the resources at its fingertips, could have that thing ready by week's end.

The minister quickly put an end to the possibility of a cultural defence when he thought perhaps it could hurt his political career. The minister could close this loophole today if he wanted to.

**The Speaker:** I invite the hon. member to get to her question.

**Miss Grey:** He would have support across this House. Will the minister put an end to the drunken defence today? Justice should be blind, not blind drunk.

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, since the publication of the consultation document 10 days ago I have heard from among others women's groups from across the country that are very anxious to speak with me in detail about the proposals because they are very concerned about the suggestion of a criminal intoxication offence.

I want to hear them out. I want to listen to the provincial attorneys general who will enforce this law. I want to discuss this with the people who participate with the federal government in the administration of the justice system and I want to prepare a law that is going to get it right. That is my opinion.

* * *

## HEALTH

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Mr. Speaker, my question is for the Minister of Health.

Natives in northwestern Ontario are experiencing a fourfold increase in heart attacks and kidney disease compared with average Canadians. These medical crises have a preventable cause, that is type II diabetes.

What are the government's plans for preventive measures which will reduce the negative effects of type II diabetes among First Nation populations?

• (1450)

**Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.):** Mr. Speaker, I want to thank the member for that question because Health Canada has a great deal of concern about type II diabetes among aboriginal peoples as well as the complications of type II diabetes.

We have worked specifically in northern Ontario to deal with Sioux Lookout where there is a dietitian right now who works for the hospital and with the community. Regular sessions are held to meet with the people, to educate them with regard to their diet.

More generally, however, we are working with First Nations people to deal with prevention and treatment at the community level and the national level so that we can provide the kind of culturally sensitive prevention and care that is necessary.

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[*Translation*]

## GOVERNMENT ADVERTISING

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, my question is for the Prime Minister. We just learned that the federal government is about to spend over half a million dollars on a series of television programs to be aired weekly to promote federal services, but only in Quebec.

The Director of Communications for the Department of Human Resources Development said that the project has nothing to do with the referendum, and she added: "We are not getting involved in politics".

If this is not a pre–referendum operation, will the Prime Minister tell us why these documentary films on federal services will only be aired in Quebec?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, over a year ago a communications firm approached a number of federal departments to suggest that with the major reorganization of departments going on it would be very helpful for Canadians to understand the range of services provided by integrated departments such as human resources, heritage and others.

As a result a series of information documentaries is being prepared that will be shown across Canada. It will be available to help Canadians understand the availability of services and how they can effectively use them, how they can make the best use of the resources we have. That is the whole purpose.

The program is being paid for out of a reallocation of existing communications money. No new money is being added. It has nothing to do with the referendum. It has something to do with good service to Canadians.

[*Translation*]

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, my supplementary is for the Prime Minister. Are we to understand that this advertising campaign is in response to a Prime Minister's request that the communication services of each department submit promotional projects on Canadian unity?

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, I would like to correct the comments of the hon. member.

As I said in my opening response, what happened is that last fall of 1993 an independent communications firm made a proposal that was originally directed toward my department as a way of providing proper information services for all Canadians right across Canada. We thought it was a good idea to work with other departments to provide a joint program. That program is now being implemented to ensure that all Canadians understand just what good services they receive from this government.

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## UNEMPLOYMENT INSURANCE

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, recently the Minister of Human Resources Development pointed an accusing finger at the automotive industry regarding misuse of the unemployment insurance system.

In actual fact the federal government lays off over 70,000 persons every year at a cost of $400 million to the program; that is more than five times the cost of the auto industry. Yet the minister is not shy about pointing an accusing finger and singling out the automobile industry for abusing the system.

Why is the minister singling out any specific sector of the economy and how does finger pointing at any specific sector improve the problem or help solve the problem?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, we are not pointing an accusing finger at anybody. We are simply tabling the facts. In the last 10 years the frequency of use of unemployment insurance has gone from about 13 per cent to 40 per cent.

I want to inform the hon. member that I had a very useful meeting this morning with representatives of the automobile industry and the unions in that industry. We agreed that it is something that we should jointly look at. We have agreed that we will collaborate and co–operate on sharing information. It shows that this government is interested in co–operating with people and working out solutions to our problems.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, there are a lot of Canadians who are really distressed with what has happened to the unemployment insurance system in the country.

It is passing strange that someone earning $20,000 a year is subsidizing people who could make up to $40,000 a year through the unemployment insurance system which has really become income redistribution.

• (1455)

Will the minister ensure in the forthcoming program review that unemployment insurance is returned to its original mandate, that is to protect employees from transitional or temporary harm due to temporary job loss, and remove it from being a make work project or an income supplement project?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, certainly one of the major objectives is to have an unemployment insurance system that is both efficient and cost effective.

At the same time one of the most important ways of ensuring it is cost effective is to ensure that we use resources from that fund to help retrain and upgrade many workers who do need to face the adjustments that the work place poses, especially now when we are going through such massive changes.

I simply point out to the hon. member that we have presented a series of proposals as to how we can use the unemployment insurance system to turn it into an employment insurance system to give people a much better chance of having the opportunity to be employed.

It is really getting a job, holding a job and improving that job that is the primary purpose of our review.

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## ONTARIO

**Mr. Bill Blaikie (Winnipeg Transcona, NDP):** Mr. Speaker, my question is for the Prime Minister.

For obvious reasons, this House is often preoccupied with one of Canada's largest provinces, Quebec, but I would like to ask the Prime Minister a question about the province of Ontario today.

It concerns the fact that Ontario is increasingly being treated unfairly by the federal government with respect to the diminishing share of social assistance costs that the federal government is picking up. The federal share is now down to 29 per cent when in eight other provinces it is at 50 per cent.

We know why Quebec gets the attention but why has the bloc Ontario that is in his caucus not done anything about the way the federal government is treating Ontario the way it did under the Tories and the way it is now doing under the Liberals?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, if the hon. member would refer to the green paper that we tabled dealing with reform of the social system he would recognize that we put in that paper an objective to ensure a much fairer distribution of benefits throughout Canada.

I have had discussions with ministers of the Ontario government to say that the best way that they can ensure that Ontario does receive proper attention is to become a part of the process of review. That is what we want to do. If we could have the full collaboration of the Government of Ontario we could work out those formulas.

In the meantime I would say to the hon. member that he might want to direct the question that he has raised to his own leader who seems to be opposing the benefit it would bring, close to $3 billion worth of jobs to Ontario in developing the Candu reactor.

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## STUDENT ASSISTANCE

**Mrs. Marlene Cowling (Dauphin—Swan River, Lib.):** Mr. Speaker, last spring the Minister of Human Resources Development introduced major reforms to expand and improve student assistance.

As part of these reforms, a new approach to addressing student needs was developed. However, as the minister knows, students are concerned that the new needs assessment approach was too harsh, that the contribution by parents was too high for many families and too much emphasis was placed on student income.

Will the minister take immediate action to address this growing concern?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, because of certain events the announcement we made last week concerning the improvement to the student loan program was somewhat overshadowed by an impromptu lunch I had in the front yard of Parliament Hill.

I would like to point out that the federal government has met with its provincial counterparts. We have come to an agreement that we will provide for a very different set of rules as applied to the existing student loan program which will allow part time income to be more broadly accepted, to allow parental income to be revised in a different way and to ensure there is much better flexibility.

I can report to you, Mr. Speaker, because I know you are very interested that it was very broadly and strongly endorsed by students' associations in this country.

[*Translation*]

### RAILWAY TRANSPORTATION

**Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ):** Mr. Speaker, my question is for the Minister of Transport.

Over the weekend, VIA Rail experienced two incidents: one in Brighton, close to Toronto, and the other close to Rimouski, in Quebec. Both could have resulted in tragedies. Luckily, no life was lost, although 44 people were injured in Brighton. These incidents, which appear to involve mischief, raise questions about the security measures taken by VIA Rail to ensure the protection of the public.

• (1500)

Will the minister confirm that the two incidents involving VIA Rail trains, which almost resulted in tragedies, were due to vandalism and will he demand that VIA Rail, Canadian National and Canadian Pacific improve their security system in order to better protect the lives of passengers and the public?

[*English*]

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, everyone who is aware of what happened on the weekend in the Gaspé and on the route between Toronto and Montreal is obviously very, very concerned. The matter is under investigation. It is being investigated by the appropriate police forces and by the transportation board.

What is very important in matters of this kind, because we are dealing with literally thousands of miles of rail in this country, is to make sure that every precaution is taken by the appropriate authorities and that we not raise unnecessary fears but that we do maintain every degree of surveillance we can to ensure that these very unfortunate incidents do not reoccur.

Particularly to those people who were injured in the incident on the VIA line between Montreal and Toronto, we extend our deep concerns. I agree with my hon. colleague that everything that can humanly be done should be done.

I do want to say to my hon. colleague, to members of the House, and to Canadians generally that in dealing with matters of this nature it does not serve any useful purpose to speculate. We can only hope that if there was any mischief involved in it that it will not be repeated. I want to assure the House that every appropriate step will be taken to ensure the safety of Canadians travelling on VIA and by other modes of general transport in the country.

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### MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

**Mr. Monte Solberg (Medicine Hat, Ref.):** A few minutes ago the Prime Minister mocked Reformers for taking a voluntary pay cut, as if that is a bad thing somehow. I would say that when the day comes that he cuts his pay for even one day or passes up one perk then he will have the right to criticize.

This time I want him to answer this question: Does he agree that allowing MPs to take a fat pension at age 55 would be to mock taxpayers?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have replied to that question. I said that there was a commitment made by this party that some elements of the pension plan would be reviewed in legislation that will be introduced in the House of Commons in the next couple of months at the latest.

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## ROUTINE PROCEEDINGS

[*English*]

**Mr. Gagliano:** Madam Speaker, may I ask the House if we can return to an item later. You may continue with the rest of Routine Proceedings while I find out whether we have any answers to petitions.

[*Translation*]

**The Acting Speaker (Mrs. Maheu):** Does the House give its consent to come back to Questions passed as Orders for Returns later on today?

**Some hon. members:** Agreed.

* * *

[*English*]

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Ms. Marlene Catterall (Ottawa West, Lib.):** Madam Speaker, I have the honour to present the 49th report of the Standing Committee on Procedure and House Affairs regarding associate membership of the Standing Committee on Justice and Legal Affairs.

• (1505)

If the House gives its consent, I intend to move concurrence in the 49th report later this day.

Madam Speaker, I move that the 49th report of the Standing Committee on Procedure and House Affairs, presented to the House this day, be concurred in.

(Motion agreed to.)

## PETITIONS

HUMAN RIGHTS

**Mr. John Richardson (Perth—Wellington—Waterloo, Lib.):** Madam Speaker, I would like to present a petition on behalf of my constituents asking that the Canadian Human Rights Act not include the phrase sexual orientation as a grounds for discrimination. I place the petition on the table.

[*Translation*]

SEXUAL ORIENTATION

**Mr. Benoît Serré (Timiskaming—French River, Lib.):** Madam Speaker, I want to submit three petitions.

[*English*]

The first petition deals with sexual orientation. The petitioners pray that Parliament not amend the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation. The petition contains 77 signatures.

ABORTION

**Mr. Benoît Serré (Timiskaming—French River, Lib.):** Madam Speaker, the second petition contains 82 signatures. The petitioners pray that the government act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings. I would like to add that I agree with the petitioners.

ASSISTED SUICIDE

**Mr. Benoît Serré (Timiskaming—French River, Lib.):** Madam Speaker, the third petition contains 76 signatures. The petitioners ask that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and also that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia. I would like to add that I also agree with the petitioners.

HUMAN RIGHTS

**Mr. John Williams (St. Albert, Ref.):** Madam Speaker, pursuant to Standing Order 36 I am honoured to present a petition on behalf of 86 Albertans, many of whom are my constituents.

These petitioners request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

Not only am I pleased to present this petition but I endorse the petition as well.

ASSISTED SUICIDE

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Madam Speaker, I have two petitions dealing with the Criminal Code. The first petition deals with euthanasia.

The petitioners ask that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

CHILD ABUSE

**Mr. Jim Jordan (Leeds—Grenville, Lib.):** Madam Speaker, the second petition has to do with the Criminal Code dealing with child abusers. The petitioners call upon Parliament to amend the Criminal Code to ensure stiffer sentences and mandatory treatment for all child abusers. I support both of these petitions.

EUTHANASIA

**Mr. Leon E. Benoit (Vegreville, Ref.):** Madam Speaker, pursuant to Standing Order 36, I have the honour on behalf of the constituents of Vegreville to table two petitions in the House today requesting that Parliament continue to reject euthanasia and physician assisted suicide in Canada and that the present provisions of section 241 of the Criminal Code of Canada, which forbids the counselling, procuring, aiding or abetting of persons to commit suicide, be enforced vigorously. The petitioners also request that Parliament consider expanding palliative care so that it would be accessible to all dying persons in Canada.

• (1510)

HUMAN RIGHTS

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, in addition I would like to present a petition in which the petitioners request Parliament not to amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

I concur with all three petitions.

ASSISTED SUICIDE

**Mr. Bill Gilmour (Comox—Alberni, Ref.):** Madam Speaker, pursuant to Standing Order 36 I am pleased to present the following petitions from my riding of Comox—Alberni which contain 506 signatures.

The petitioners request that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no

changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

GRANDPARENTS RIGHTS

**Mr. Jack Ramsay (Crowfoot, Ref.):** Madam Speaker, pursuant to Standing Order 36, I would like to present two petitions today, both of which I support.

The first is signed by over 300 constituents of Crowfoot. The petitioners would like to draw our attention to the fact that a natural and fundamental relationship exists between grandparents and grandchildren. However, grandparents as a consequence of the death, separation or divorce of their children are often denied access to their grandchildren by their guardians.

Therefore, they call upon Parliament to amend the Divorce Act to include a provision similar to article 6(11) of the Quebec civil code which states: "In no case may a father or mother without serious cause place obstacles between the child and grandparents" so that grandparents who are granted access to a child have the right to make inquiries and be given information as to the health, education and welfare of the child.

ASSISTED SUICIDE

**Mr. Jack Ramsay (Crowfoot, Ref.):** Madam Speaker, the second petition is from people who believe that if section 241 of the Criminal Code was struck down or amended the protection of our most vulnerable members of society would no longer exist and the disabled, the terminally ill, the depressed, the chronically ill and the elderly would feel an implied pressure to end their lives.

They therefore ask that Parliament not repeal or amend section 241 in any way and that it uphold the Supreme Court of Canada decision of September 30, 1993, to disallow assisted suicide.

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## QUESTIONS ON THE ORDER PAPER

**Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I ask that all questions be allowed to stand.

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

**Some hon. members:** Agreed.

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# GOVERNMENT ORDERS

[*English*]

## SOCIAL SECURITY PROGRAM

The House resumed from November 18 consideration of the motion.



**Mr. Bob Mills (Red Deer, Ref.):** Madam Speaker, it gives me great pleasure today to speak on the social policy review. This is something that touches everyone. I think all of us from talking to our constituents know just how much people are concerned about this entire review that is taking place.

During the break when I was back in my constituency, I had the opportunity to conduct a number of town hall meetings. I started on Monday with a group in an agricultural community. Many people came out and we had a great discussion. From there I went on to service clubs and a couple of other town hall meetings.

In all cases the approach that I found worked was to first talk to people about the real financial problem in which we find ourselves. Most people have just a fleeting concept of what a billion dollars is and exactly how serious the situation is.

To put it all into perspective, if you tell people we are spending in excess of $160 billion and we are only taking in $125 billion, they very quickly get the message. If you go further and say that of the $160 billion, roughly $80 billion goes to social services, $40 billion to other government services and $40 billion in interest payments, you will get their attention. They will have an understanding of just how real the social reform package is and how serious they must take it when they look at plans the government has.

• (1515)

I talked to a group of people who were discouraged because they did not get any real answers from government. Instead they got another discussion paper, one which gave them only a few highlights of what the government might have in mind three, four, five years, or whenever down the road. They want to hear some hard facts. They want to hear the suggestions that the government might have with regard to these changes.

As far as the interest payments are concerned a lot of people ask why we would not just write off the debt and the deficit. Very quickly we ask them if they have any Canada savings bonds, T–bills or pension plans that might be part of this Canadian investment. They answer that they do so the interest payments must remain. Obviously, the single biggest threat to our social programs then are those interest payments themselves which we must get under control.

As far as the social programs are concerned all of us value them as Canadians. We all feel they are an important part of being a Canadian. We would like to maintain as many of the social programs as possible but we recognize it must be done within our budget. I believe all Canadians know the programs must be changed. Ask any group. They will tell you that there are abuses and there are areas which have to be changed.

Looking at the ongoing studies the one thing we have learned more than anything else from Alberta is that you have to take action; you know what you have to do and you do it and then you show people how it will benefit them. It seems the longer we study something the longer it is put off. The longer it goes on and

on the less likelihood there is we can ever change it. There have been enough studies and enough input. Everybody knows about the problems and abuses. It is time to get on with the necessary changes.

I would like to quickly look at some of the areas of our social safety net and examine them briefly as to what some of the problems and possible solutions might be.

Certainly from the standpoint of OAS it is rather dangerous to say that we are going to cut pensions. When we approach it by asking whether those over 65 earning a family income of over $54,000 need to get OAS, most will answer that no, they really do not need it. In other words, while the idea of universality is very nice, it is something we cannot afford any longer. If people understand that, they are prepared to accept that as their portion of the cut.

We must also remember that in the next 15 years the number of people over 65 will increase by 40 per cent and the burden on others will be unbearable. Obviously we have to come back in terms of pensions and seniors and promote everything we can to help people realize they have to take care of themselves.

We have to show them that RRSPs are the way to go. Certainly taxing them will be the most disappointing, negative and reactionary thing that could ever happen from this House. We cannot let that happen because it flies right against people taking care of themselves.

Let us look at the Canada pension plan. When it was started in 1965 we were basically told: "Give your money to government. Government knows how to take care of it for you better and will guarantee the return of this money when you retire". I was one of those people just starting in the workforce. I was told that I should give my money to the government, that it would take care of it and guarantee a pension to me.

• (1520)

It was an insurance plan but now people are saying: "Let us take care of our own pension plans, but obviously we want back what we paid into Canada pension". Remember there is an unfunded liability of close to $500 billion. It is like the airlines with their frequent flyer points. Those are real liabilities. Whether you like it or not those are going to come back to haunt future generations. We must address the problem of Canada pension self–sufficiency.

Of course UIC has major problems. Again, I do not know many who would not tell you they have a problem with UIC or that they know somebody who has had a problem with it. All kinds of things crop up: seasonal workers, false claims, abusers, people who lie and cheat with regard to claiming UI. There are no free lunches. We have to change the attitudes of people toward this whole program. It has to be an insurance program, one that is there for between jobs, not instead of jobs. All of us have said that. We are going to have to act on that and very soon.

What concerns me most in this House is that I hear a minister who sounds almost like a 1970 socialist and believes in a utopia out there where everybody can have everything they want and somebody will pay the bills. That somebody is finally not going to appear. We are going to have to look at this from a real solid standpoint. We have studied it enough. Let us fix the problem. Let us not study it any further.

What kinds of things can we do? The first is to provide more jobs. We need more jobs in our society so that we do not have to depend on things like UI. How are we going to do that?

First we are going to lower taxes. We can lower taxes and reform the whole tax system and look at a flat tax. If the system is considered to be more fair, more people will be providing jobs, there will be more small businesses and the whole system should improve dramatically in the area of jobs.

We must break down the existing interprovincial trade barriers. We lose some $6 billion a year just from interprovincial trade barriers. Those are negative to jobs and negative to getting this whole economy rolling and not so dependent on UI.

We have to destroy the massive bureaucracy. If you visit companies in any area of Canada you will find they have one or two and sometimes three levels of management, but they never have six, seven or eight levels of management as you find in the bureaucracy. We have to get some efficiency into our system. Obviously as a result of seeing that businesses will say that now that we have our act together the jobs will come.

We have to break down the regulations governments seem so set on putting into place. Of course above all we have to destroy the underground economy which saps dollars from our entire system of our social safety net. I come back to tax reform and a flat tax system. If people saw a fair tax system they would not mind paying the tax. It would be lower and they would not need to be part of the underground economy. Things like the GST have driven people to become criminals. That will continue unless there is a massive reform of the tax system.

We need to look at self–funding of the whole UI program. It should never have to depend on government. It should be a temporary program. Above all, we can certainly consider the concept of working for UI. I do not believe UI is something someone should expect. People could easily work for it and it would then start to mean something.

We must lower federal taxes. We must return a lot of the programs to the delivery level which is at the provincial and municipal levels of government.

• (1525)

Let us look at the fourth area, social programs and the welfare area. There will always be people in our society who need help. The problem is that number has grown. It is like the Australians. For so many years they brought their young people up to say: "I do not mind going on pogey. It is expected of me and I can enjoy the beach". We have to change the atmosphere and environment which creates that sort of thinking. Everyone knows about the abuses. It is the government's job to provide an environment in which jobs can be provided for the people.

Through our education system we must provide the pride of a work ethic and certainly in some cases even prime the pump through training. Above all we have to get people off the dole and out working with some pride for their country.

On the health care system Canadians want the very best. If there is one area we really do not want to sacrifice that certainly would have to be it. I do not believe we need to sacrifice it. It seems so often when we downsize in the health care system we go after the beds and the nurses instead of going after the other end. A great deal of savings could be had from looking at the administration end of things rather than the other end.

Post–secondary education is our future and another area we cannot sacrifice. From working in the foreign affairs area many of us realize what we have in terms of our advanced education system. It was probably best brought home to me this summer when I was visiting with Swedish businessmen in Stockholm, Sweden. They said that over the course of the last three years they had hired 700 Canadian graduates to work in Swedish invested companies in Canada. They said that they would always hire Canadians over Americans or anybody else because of the training and reliability of the Canadian graduate. That is something we should be proud of.

For the last seven years the Reform Party has had the voucher system as part of its program. This system should be examined and looked at. It might not be the answer to everything but it should at least be looked at as another way to provide some accountability in our advanced education institutions. There should be some competition for the students. It is a more positive system if students are controlling that through vouchers.

Again we come back to the top heavy nature of administration. I am sure that in examining our educational institutions savings can be made and efficiencies can be found.

In conclusion, instead of carrying on more and more studies, I say for the hon. member across the way that he missed my portion on the flat tax—

**Mr. Mills (Broadview—Greenwood):** I watched it on television.

**Mr. Mills (Red Deer):** Certainly we need to have that flat tax system. We do not need to study it any more. We need to change our UI system. We do not have to study that any more. We need to change and reform these systems, but we do not have to study any longer. We need action.

There are 295 MPs who can bring here the words of their constituents through town hall meetings. We do not need to have high priced studies nor listen to a bunch of special interest groups and academics tell us how to do things. The people will tell us how to do things. It is the job of the 295 MPs to get out there and find out about it.

There is a questionnaire from the Minister of Human Resources Development. That is a pretty good item. The only thing is we can predict every single answer we are going to get because we have already done that.

Above all we need to destroy party discipline in this House. We need to go to a free vote system whereby we can really get into voting the way of our constituents. Rather than sending people across this country at a cost of $800,000, $1 million or whatever, we have the information and we know what people want. Now is the time to act on it. In terms of social reform, that is what I encourage the government to do more than anything else.

• (1530)

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Madam Speaker, I wish to congratulate my colleague from Red Deer. I found that his remarks other than the free vote remark were very well thought out.

It is a pleasure to see that everyone in this House has taken this issue of social security reform seriously. It is very important for Canadians to see that.

I have a question for the member, a very serious question coming out of his remarks that I would like him to consider. He mentioned in passing that he thought that the delivery of programs should be downloaded to the provinces rather than the federal government.

I just wish to say that I had trouble with that. I know it is the Reform Party platform point but I have trouble coming from Ontario where I am not entirely satisfied with the way the Ontario government handles education for example.

There is a lot of unevenness in the way various provinces handle various programs. I would like him to consider that. Does he not think that actually it is preferable and more efficient if the federal government keeps as many programs as it can to itself and make them more efficient rather than relying on the provinces to do so?

**Mr. Mills (Red Deer):** Madam Speaker, the point that I would really like to make about offloading from the federal government is getting down to the actual delivery level, particularly in some of the areas like welfare.

Those sorts of areas lend themselves probably the best to getting them down to the very delivery levels themselves. Obviously that means that the federal government has to give up something. It has to give up the collecting of that money to the level that is providing the service. As so often would happen, we would not want to go that step. We would just want to give them things to do to keep the money for ourselves. That will not work, obviously.

They can feel part of it by cutting out those tiers of administrators. So often we have that. In Ottawa they think they know how to do it this way and that message then comes down to the province and the province then translates it to its particular political bent. Then it goes down to the municipality and it delivers the service.

By the time one gets all that bureaucracy, one has lost the efficiency, lost the true delivery to the people. That is what I am getting at. I can understand the member's point. Certainly some provincial governments are less desirable than others and that would be a concern but I guess we have to trust the people to simply replace that government if that were the case.

I would much rather trust the local officials to deliver than I would somebody here in Ottawa.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Madam Speaker, it is nice to have you back here in the House. We have not seen you for a while.

I would like to begin by reading from the conclusion of this working document that was given to us by the Minister of Human Resources Development. It is the chapter entitled "What can be accomplished by reform?".

The purpose of this paper is to stimulate interest and debate among Canadians over the coming months about how together we can reform one of our great national institutions, the social security system.

It is a system, a set of programs and services that reflects the best of who we are, our compassion for those less fortunate in our society and a commitment to equality of opportunity and our belief in the dignity of work.

As times change, so must our institutions. Without exception provincial governments have recognized this and many of them have launched discussion papers of their own, setting out reform priorities. This is the federal government's contribution.

• (1535)

I want to congratulate the Minister of Human Resources Development for undertaking such a comprehensive push on reform to our social security system. I believe, quite frankly, that very few men or women in this House could actually take this challenge on other than the minister. I say that because I think most members of this House and most people in the country who know the minister realize that his history, his tradition in public service over the last 25 years has characterized him not only as a strong Canadian nationalist but also as someone who has always been there for the most disadvantaged in our communities.

I can remember in the last government when we were in opposition whenever the minister would speak it would drive the Conservative Party nuts because many viewed his vision, his feeling, his caring for the country as a sort of radical left position. I never viewed his position as radical left. It is very important that someone who has won the trust of our communities in caring for people who are disadvantaged lead this charge. This is a very comprehensive review.

We are talking about reviewing a program of reform that is almost $39 billion in taxpayers' money. We are talking about the Canada assistance plan of $8.2 billion; the Canada student loans program of $.5 billion; the post–secondary education established programs financing of $6.1 billion; the UI administration of $1.2 billion; UI maternity, parental adoption and sickness, $1.7 billion; unemployment insurance regular benefits, $12.4 billion; employment programs for developmental uses, $1.9 billion; employment programs consolidated revenue fund, $1.4 billion; vocational rehabilitation for disabled persons, $.2 billion. That is a total of $38.7 billion.

Obviously I cannot in this short time take on every aspect of this particular reform initiative. I would like to address my remarks to a very special, very tight area of this debate, women in poverty.

All the statistics of children in poverty and women in poverty have been talked about in the last few months before this House. I believe it is incumbent upon all of us who are involved in this creative exercise of reform to really make sure that when the recommendations for renewal come forward at the end of this debating exercise, we make sure we have the most enviable program in the world for women who are involved at the lower end of the income spectrum.

We cannot miss this opportunity. I say that because I believe that women in the entrepreneurial sense and in the business sense are one of the great untapped markets of opportunity to help revitalize the economy of this country, and in so doing bringing dignity not only to themselves but to their own families, especially their children.

I want to remind colleagues in the House about something that is happening in the United States right now. Women owned or partnered businesses in the United States are employing more

Americans today than all the Fortune 500 companies combined. That is a staggering statistic.

• (1540)

The force of women in the United States is becoming a recognized fact. I do not believe that it has hit the consciousness of this country yet or sunk in to all of us in this Chamber who are presently charged with redesigning the social security system.

As the minister has asked us for ideas during this debate, I would like to present the idea that we consider as a Chamber and as a government to set up women in business centres all across Canada. I am talking about centres the purpose of which would be to offer women training and support in developing businesses. We are talking about centres that would facilitate access to capital for women in business, centres that would be test sites for innovative, educational and technological efforts. These centres would also act as a catalyst for business and entrepreneurial opportunity. It would ultimately improve the business and entrepreneurship capability in Canada.

I have to talk about a personal experience for a moment that is driving me in this direction about women in business. My grandmother was a widow at age 48. She had 14 children but at age 48 she still had eight of those children at home. Four of her sons had gone off to join the RCAF, one of them being my father.

This single mother was left with eight children at home. We are talking now about the early 1940s. She had a small, home based business. It was a very simple business. She rented tables and chairs for banquets, weddings and social functions. My grandmother managed, because of her own creativity and her hard work, to raise that family of eight children under her roof and to provide a respectable living for all of them. As time went on she eventually developed the business and it grew into something that looked after many other families other than her own children.

My point in bringing this example up is that this happened at a time when there was absolutely no unemployment insurance and no welfare system. There was no social security system to look after a single mother in the early 1940s who had eight children. They had to use their own creativity, their own work ethics and had to rely on their friends and neighbours. Certainly there was not a lot of support from the banks for a widowed mother with eight children. That just was not part of the scene in those days.

That example of what an individual can do under great stress for me has always been testimony that if there is a will there is a way as long as there is some kind of support system from your friends and community.

I think what the minister of human resources is saying to us in this debate is that defending the status quo which is not working is not in the cards and by wanting to defend the status quo we are defending a decline, not to mention the fact that we are spending almost $40 billion a year and we are not getting the results.

When we go through this exercise we have to look at every idea presented to us. I use as an example my grandmother who was a single mother with eight children at home. She built a family business from her home with no government grants, no support. It shows me that if we give a little bit of support to women in business throughout the country, we can probably get a lot more Canadians working. The most important thing is to raise the standard of living of a lot of women who are currently trapped in a welfare system that is certainly not working. It is a system that none of us in the House wants to defend.

• (1545)

I welcome the opportunity to participate in the debate. It is a comprehensive challenge that the minister has placed before us but if we use the premise that we put all of the ideas on the table and keep an open mind concerning those ideas, then I believe at the end of this exercise we can create a new social security system that will be the envy of the world.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Madam Speaker, I am also glad to see you again. We did not forget you while you were away.

I listened very carefully to what my colleague had to say. Of course, in 15 or 20 minutes, he could not touch on all the various aspects. Given the examples he used concerning the family, the underprivileged women and all the problems he mentioned, I would have liked to hear his views on education.

Unemployment is the big problem. It is an economic problem and we have to pay for it. Unemployment causes other problems to develop. For example, our youth are faced with problems like dropping out of school, drug and alcohol abuse, and so on. In the reform currently under review, we are being asked to reconsider student loans. I, for one, say that education is the cornerstone of the whole system.

If we do not invest in areas like human sciences, where we should inject a lot of money into research and development when, in fact, we are cutting research, if, as I said, we do not give education all the tools needed to catch up in this area and to undertake important research projects, we are heading not only for bankruptcy, but for real chaos.

I would like my colleague to comment on these cuts in education and research and development, which the government wants Canadians to swallow.

[*English*]

**Mr. Mills (Broadview—Greenwood):** Madam Speaker, I would like to begin by thanking the member for his question.

As I stated in my opening remarks, the minister responsible for human resources is calling for a debate where we advance ideas on how we can take the current $38 billion expenditure and redesign it in a way that we can get a better bang for the taxpayers' buck.

I believe that education is paramount in this debate. No one is questioning that. In fact there are no further cuts. It is a redesign of the current system.

I share the member's view. Education is something to which we must continually commit ourselves and of course the R and D that the member mentioned as well.

• (1550)

In order to make sure that the resources are there, to make sure our educational system can handle not only the R and D aspect but also make sure that our younger people have access, we have to create an economy where they have income so that they can afford to pay for their tuition rather than take student loans. The greatest problem that our young people have had, especially in the last three years, is they have not been able to get decent work to pay for their university education. The whole economy has been flat.

The member knows full well that if we can create a more vibrant economy where younger people can get work it does not take long for a student, working part time and in the summer, to raise $6,000, $7,000 or $8,000 a year which goes a long way toward paying for his or her education.

We are going to have to put more emphasis on the macro economy rather than just the old system where we would automatically write cheques.

**Mr. Nick Discepola (Vaudreuil, Lib.):** Madam Speaker, I listened with great interest to my colleague's comments.

I want to state categorically that the question of status quo is not only unique to Quebec, as I found from travelling with the pre–budget consultation hearings on the finance committee. It is a preoccupation throughout Canada from one coast to the other.

I would like to bring to the attention of my hon. colleague two valid ideas that surfaced from a workshop in my riding this week on the reform of human resources. One was that small business people who are unemployed and try to start up a business find that they cannot collect unemployment insurance. The suggestion was brought forward that perhaps a person who is on unemployment insurance should be allowed to collect their benefits at the same time as starting up a business.

The other question I would like the hon. member to comment on is this. He mentioned the need for assistance for women in business. Another suggestion from our workshop was that the older group, the 55 year plus, have a wealth of experience and cannot find jobs. They would be willing to work 5 to 15 hours a week to help the women that he mentioned and youth who want to start up small businesses. Could he put in his idea the concept of allowing older people to give the benefit of their experience to the young and the women to start up their businesses? Could he not consider these two ideas in his proposal also?

**Mr. Mills (Broadview—Greenwood):** Madam Speaker, I want to say to my colleague this is when a debate becomes most enjoyable. We are advancing ideas. We are building on ideas.

The idea of taking a counsellor assistance program, not unlike the one in the Federal Business Development Bank, and marrying that with the youth and my pet project, women in business, is a great way to go. That is a way of using up the great wisdom and experience that exists from people who have taken perhaps early retirement from a 70 to 80 hour a week job but want to only work 10 or 12 hours a week.

I would certainly support that idea. It is a great one. That is the kind of thing I believe our minister needs to hear.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Madam Speaker, I appreciated the hon. parliamentary secretary's comments, especially with regard to his grandmother and the eight children.

I have two questions stemming from that. The first one is a question on welfare and whether he thinks there is a possibility that had welfare, as it is now, been available to his grandmother that instead of finding her own way she might have gone on to welfare and become a burden to taxpayers. That is the first question.

• (1555)

The second question is about programs for women. Had it been your grandfather with the eight children in the same situation, the same difficulty, would he have been any less deserving than your grandmother?

**Mr. Mills (Broadview—Greenwood):** Madam Speaker, first I want to answer the question about welfare.

I knew my grandmother because she looked after me. Probably she would have figured out a way to avoid the welfare option. However that is my own declared bias for my grandmother. Maybe she could have fallen into that trap as well.

That is one of the real problems we have in our society today. The system is set up in such a way that it becomes the thing to do, and people are not challenged to their depths in terms of their work ethic or their creativity. We have to redesign this program in a way that the basic inner strength of people, their creative

skills and work ethic are maximized. By changing the welfare system that will happen.

As to the second question, I do not differentiate because we are all equal. However society is much more receptive to men who are involved in the business realm than women. As a government we have a chance to do something unique in this mandate by moving women in business from the back burner to the front burner. If we were a House of Commons that did that, it would be one of the great experiences we could leave this place.

[*Translation*]

**Mr. Yvan Bernier (Gaspé, BQ):** Madam Speaker, I am pleased to take part in today's debate on the social programs reform. I did not think this issue would show up so soon on the Order Paper, but I am glad it did, because I spent last Thursday, November 17, working with my riding assistants to organize public hearings, since I feel that the Gaspé constituents will be hard hit by the measures proposed in the social reform.

So, along with my assistants, I decided to hold public hearings, because the closest the Parliamentary Committee will come to my area is Rivière–du–Loup, a one day journey away. As you can understand, my constituents wanted to be heard on this issue. However, because of the distance, few will able to make it to Rivière–du–Loup on December 11.

I organized these hearings with the firm belief that this social programs reform is such a crucial issue that it goes beyond partisanship. With this in mind, and that will make some of the members opposite smile, I asked the director of an hospital centre, a known Liberal, as well as a former PQ minister and MNA for Gaspé, to give me a hand. With these two commissioners on board, we heard something like 18 witnesses, including representatives of at least 16 social organizations.

If only to pay tribute to these people, since this had to be organized rather quickly because I also thought crucial to start the discussion in my constituency, I would like to mention them in this House.

So, the following have made themselves heard: the Regional Municipality of Côte de Gaspé, the Gaspé Chamber of Commerce, CRCD, the concertation committee of the Regional Municipality of Parbock, the Regroupement contre l'appauvrissement dans l'est du Québec, the United Church, CASA, the Anglophone Social Action Committee, the Ralliement gaspésien et madelinot, the Anse–à–Valleau Development Committee, the Denis Riverin Unemployment Action, the Regional municipality of Parbock Work Action, the Gaspé CNTU, the Association des capitaines propriétaires de la Gaspésie, the Regroupement des pêcheurs professionnels du sud de la Gaspésie.

• (1600)

We also heard from Rural Dignity and the Regroupement des femmes and others whose name I forget. These are either regional or local groups and this was reflected in their comments. But they are all wondering if after the reform proposed by the minister the safety net which we have now in Canada will still suit Gaspé constituents. Madam Speaker, allow me to state at the outset that people are very sceptical about that.

I would like to state a few facts. First of all, people from the Gaspé Peninsula know how to read. They heard about the leaks in the *Toronto Star* regarding the possible cuts of $7.5 billion and another $7.5 billion that would accompany this reform. Every time they were questioned about their briefs, they would talk about these cuts. They would tell us also that, from their viewpoint, the objective of the reform is not to improve assistance to the needy, but rather to cut assistance to the disadvantaged. To them, it is absolutely inconceivable.

Some facts about our riding are in order. As I have already mentioned to the Minister of Human Resources Development, the riding of Gaspé receives approximately 27,000 unemployment insurance applications a year. About 33 per cent of those applicants have worked only 10 or 11 weeks. It is not because they do not want to work longer. There are no jobs. Our region has to live with the seasons.

If I look at the situation in some areas in particular, in the Chandler area for example, 38 per cent of UI applicants have worked only 10 or 11 weeks. These figures were provided to me by the employment centres for the Gaspé Peninsula and the Islands. In the Magdalen Islands area, and my colleague opposite can correct me if I am wrong, close to 40 per cent of UI applicants have worked only 10 or 11 weeks.

I used to work for the fishing industry, representing fishermen, and I wonder where these people could go to work more weeks, especially considering the fact that this resource has been scarce. When the Minister of Fisheries and Oceans declares a moratorium on fishing, his goal is the conservation of stocks, but the Minister of Human Resources Development is telling us we should be working more. In the Madgalen Islands and the Gaspé Peninsula, our economy is seasonal in nature. Tourism is a seasonal industry, although we have started to take action in order to extend the season. We have yet to reap the full results of those measures and reach our ultimate goal, which is to have people work during at least six months each year in viable businesses.

Forestry workers would also like to work more. The problem they face is winter conditions. When winter begins, at about this time of year, at the beginning of December, there is already a fair amount of snow high up in the mountains beyond Sainte–Anne–des–Monts. It is very difficult to work in the snow, not onlybe-

cause of the cold, but also because it is hard to haul the timber out.

• (1605)

Of course, we could use heavy equipment, but it gets expensive for businessmen to clear bush roads every time there is some timber to haul out whereas, during the summertime, roads are always open and accessible. Springtime conditions are no better. It is hard to work in the bush when the snow is melting. When you are using a chain saw, you need to have your two feet on solid ground. There is also the haulage problem, which can be serious in the spring.

I have already dealt with fisheries, but I could add the example of lobster fishing. The data on resource preservation show that, for as long as I can remember, at least since the beginning of the 1970s, lobster fishing has been limited to ten weeks. The resource itself makes it impossible to fish for a longer period. Around the Gaspé Peninsula, they go lobster fishing from Mother's Day to the beginning of July. In Nova–Scotia, they go a bit later. For example, some areas are still open around Nova Scotia. However, the resource is subject to a limit of ten weeks.

How can we find a way for these people, who have a highly specialized job, but one which does not provide them work for any longer than that, to continue to earn a living? In the past, they used to rely on cod fishing, but there is no more cod to be caught. We worked with these groups in order to create other projects for them to start fishing other species and diversify, but it is not an easy task. The first years when you start working under a federal program made mostly for shore workers, there are no incentives that would allow for a lucrative kind of fishing to emerge, such as soupfin shark, or spiny dogfish as we call it in my region.

However, I will admit this is a remarkable effort and I know the people opposite in the government co–operated. I hope we will get the same kind of co–operation next year and the following years. The Gaspé Peninsula needs tools like this. It is not because we did not reach the objective this year that we should forgo the experience next year. On the contrary, we should profit from what we have learned this year.

I am going from one subject to another, but I would like to mention some other points. First, I am somewhat moved by this because life in that region flows with the seasons. We need this form of support. If we want to do without social programs like unemployment insurance, the question is: Are you people listening to us this afternoon willing to pay two, three, four times what you are paying now for your seafood? Maybe you are, maybe not. One thing is certain, we will have to be given time. What we want are the tools to give more responsibility to people in the industry. Marketing tools, of course, but also tools to clean up the industry, in particular as regards incidental captures.

Last spring I attended hearings where I heard a number of groups from the Atlantic region. Whether they were from Quebec, Nova Scotia or Newfoundland, people wanted to be part of the discussions on their future. People wanted to be consulted. More than that, they wanted to be able to intervene locally on matters of interest to them. Unfortunately, this is not possible under the present system.

I wish to draw the attention of the Minister of Human Resources to the fact that a debate on this subject is forthcoming. Last week, the Minister of Fisheries and Oceans recognized that we would have to review the whole fisheries administration in Canada. I congratulate him for acknowledging that we have a problem. I also let him know that the province of Quebec had submitted a project that might solve the problem. He told me that, naturally, he had to consult the other provinces. During the next few weeks I will follow up on that, to make sure that the minister has, indeed, started discussions with his counterparts and that officials of the two levels of government are doing the necessary groundwork. It is most important.

• (1610)

I would like to go back to what my constituents said because it touched on all of this. They said: "We do not understand this reform. We are in dire straights, and we would like the government to help the poorest members of society, to give us the necessary tools to break this vicious circle". Before, it used to be called the 10/42, from now on it will be the 12/38. The government is tightening eligibility, increasing the number of work weeks, while shortening the benefit period. It is very disappointing for people.

People would like to have the tools to take care of themselves. But the government is not providing them. With respect to the unemployment rate in the Gaspé Peninsula, the government came to the brilliant conclusion that we do not have too many people out of work, we have too many people for the number of jobs available.

The second point which really irks people is the matter of employability. A fisherman told me this: "In our village, with a population of 200 to 300, should everyone become a welder?" It does not make any sense to retrain some 30 fishermen to all become welders. What I want to point out with this story is the fact that we need the tools to modify the economic structure of our regions.

We will not be able to transform the Gaspé Peninsula overnight into something like Montreal. Montreal also has its share of problems. The unemployment rate in this city is somewhere around 13 per cent, I believe. People are warning me that if this reform goes any further, it will trigger an exodus. Where will people go, if they have to leave an area where the unemployment rate is now 17 per cent to go to an area where it is 13 per cent? It is robbing Peter to pay Paul.

But this will not solve the problem; our problem is one of structural unemployment. We are not showing our people how to become self–sufficient. We are not giving them their own decision–making tools, we are not allowing them to manage their own affairs. These tools should be transferred to them, people should be consulted, and yet it is not done; it is one of their main comments.

I would like to point out that I will supply the Minister of Human Resources Development with a summary along with these briefs. I will also give it to the parliamentary committee, which is on the road right now.

But I would still like to raise a few points. As I believe was mentioned by some hon. members a few minutes ago, shared time is one solution to the employment problem being used by the CNTU in the Gaspé Peninsula. People are ready to discuss solutions, to look at all the possibilities. As I said earlier, fishermen throughout the Atlantic provinces, not just in Quebec, mentioned that they are hoping, and indeed are asking, for a bigger share, for permits with more variety.

Some of the things I heard were amusing. There was one woman who said: "The Liberals are forever consulting, but we need more than that right now. The barn is on fire and we need a fireman who knows what to do".

Madam Speaker, as I told you earlier, I was accompanied by two commissioners. I am merely repeating what people told me. One woman asked: "Why are we reforming social programs, when the problem is elsewhere?" The problem is in the lack of employment, in the fact that the government is facing excessive debt, that over half this debt is owed outside the country and that we are going to be in serious trouble if we do not get our finances in order soon.

The message is that the Bloc Quebecois agrees that the deficit must be reduced and said so during the election campaign. However, we do not want cuts to be made blindly. We want there to be respect for the public. If there is an objective to be met, people should be asked what tools they need to reach it, and whether it is feasible. If it is not feasible then, as a society, we will have to make a choice. We will always need fishermen.

• (1615)

One of them told me: "I am willing to work 12 months a year, but is the Minister of Human Resources Development willing to thaw the gulf in the wintertime? Is he willing to stock it? If so, I could fish 12 months a year".

Of course, we had a bit of fun. In spite of the seriousness of the problems, people in the Gaspé Peninsula came to these hearings with a smile on their face and kept their cool. They suggested solutions. They also sent a serious warning to the government. If it realizes what their needs are and gives them the necessary tools, they will meet the objectives that the government wants to set behind their backs.

[*English*]

**Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.):** Madam Speaker, let me begin by congratulating the government and the Minister for Human Resources Development on his initiative. Indeed, it is a bold approach that in my view will respond to the nineties and beyond.

This is one segment of an overall strategy and overall action plan which will be proposed by this government over the next year or so in order to respond to a commitment made by the Prime Minister on behalf of the Liberal Party of Canada as well as on behalf of the people who elected him. Those commitments were made in *Creating Opportunities* or the red book as people might call it.

There are three aspects of the proposal. One looks at the whole way in which we deliver our social programs in Canada, as well as human resources training and development. The second aspect will look at the overall industry in Canada and the way we deliver our goods and services here and abroad. The third aspect is to try and put our house in order in terms of looking at the overall finances of the government.

There is no doubt in my mind that if one is to look at Canada from the outside, which the United Nations has done on a number of occasions, one would come to the conclusion that we live in the greatest country on earth. I knew that 20 years ago when I came here. I knew I was going to heaven on earth. I am sure that my colleagues in this House and all Canadians would agree and would know that we live in the greatest land on earth.

To keep Canada in the forefront in terms of equality of social programs that we provide our citizens, the quality of education that we provide and access to the finest medicare in the world, we have to do a number of things.

Before I enter into a detailed explanation I want to share with you some statistical information in terms of the status quo, the situation that now exists in Canada.

Today approximately 10 per cent of the Canadian population are considered to be senior citizens. By the year 2031 that number will double to the point where more or less about one in every four Canadians will be a senior citizen. In parallel with that if we are to look at the number of people who are entering the workforce, we have a shrinkage. Today there are a lot less people in the workforce than there were 10 or 15 years ago.

The challenge is to use the output or the productivity of those people who are in the workforce to try and support all of the programs, social benefits and everything else in order to contin-

ue to provide the quality of life that we have been providing to Canadians for the past 100 or so years.

To that extent one would say that we not only have to work harder but we have to work smarter.

• (1620)

I would be misleading the House and Canadians if I were to say that at the turn of the switch things are going to be better. Canadians know that in order for things to get better we all have to make sacrifices. We all have to take a bold approach toward changing not only the appearance but the fundamental structure when it comes to the kinds of things we do and the programs we provide.

The reason I say this is because if we look at the programs that we have today, many have been in existence 25 to 50 years in some cases. Some of those programs have kept up to the demand and to the technological changes and have been updated. Other programs definitely require a closer look.

I am going to give a couple of examples. Let us look at the figures for 1972. In 1972 the Canadian government spent $3 billion on unemployment insurance and social assistance. Guess how much we spent in 1993? We spent $33.4 billion. Looking at how much we spent on education, it is interesting to note that Canada spent perhaps more than any other country in the world on education. All governments together spent in excess of $50 billion a year on education.

When it comes to the overall expenditure on all of the social programs, that would put Canada behind Sweden as the country that spent the most on social programs of any country in the world. That is why we have the finest support services anywhere on the globe. That is why we have to make sure we do everything we can to continue to provide the quality services that are required.

If we look at what we are spending in terms of resources, gross, financial and otherwise versus in terms of how much we need in order to continue to support those programs, the devil will show up. That devil is a tremendous amount of debt that totals in excess of $700 billion if we combine the federal as well as the provincial governments' debts.

To support that debt in terms of the deficit it is in excess of $37 billion to $40 billion on an annual basis. If we add this to the amount of funds we are putting in to support social programs and our educational system and if we continue to do the kinds of things we are doing today without some major overhaul, it will take us quite a while to catch up. I might suggest that we will never be able to catch up because, as my colleagues know, cutting services alone is not going to solve it.

If the government was to fire every public servant we would still have a deficit of approximately $20 billion a year. Cutting programs is not going to solve it. What will solve it is if, as the Minister for Human Resources Development has suggested, we look at the way we provide those programs and services to the community and try to fine tune those programs and services so they will meet the needs and the challenges of the 1990s.

Second, we have to improve our productivity and our standing on the international scene as well as here in Canada in order to create wealth. The NDP's theory of redistributing wealth failed. We have seen it in Ontario as well as in Saskatchewan and British Columbia when they were in power. It does not work.

The second theory of ultra independent capitalism without government being at least there in order to provide a fair and proper environment also does not work because the private sector alone will not solve it. As well, if we leave it up the public sector alone it will not work.

Historically, the best approach to solve our socioeconomic problems has always been the Liberal approach. Would the House not agree?

• (1625)

**Mr. Rideout:** Absolutely.

**Mr. Harb:** That is basically what this government is doing. We are looking at the way we deliver our services and our programs. We are trying to put in place a mechanism that will help us move ahead to control the deficit, reduce the national debt, eventually eliminating it, and continue to provide quality social programs for people, including our seniors, and continue helping our youth so they can obtain the kind of education they need.

There are some challenges. I would like to share some of those. Now in Canada over 38 per cent of the Canadian population is considered to be functionally illiterate. In other words, these people may have difficulty to calculate properly, read or write properly, fill out an application form properly and/or properly read manuals that might relate to their daily work.

The cost to the business community alone on an annual basis is over $4 billion. It costs the government $10 billion a year in terms of lost productivity and other accessories that go along with it. Looking at the national deficit of $40 billion alone, it costs us about 25 per cent of that. If we lived in an ideal world with no illiteracy, we would not have a problem. I know we have to catch up in order to reach that particular state.

I spoke earlier about the fact that there is a shrinking in terms of the number of people who are entering the workforce. That is a result of two things. First, the productivity rate in Canada is decreasing, not increasing. Second, there is a major problem in our educational system. Out of every three students now there is one student not finishing high school. Did anyone know that?

About 33 per cent of our youth are not completing high school. Instead, they are getting low paying jobs at Dairy Queen or at McDonald's. As a result of that eventually, if they are unlucky, as are many of our youth, they will find themselves in the unfortunate situation of not finding the job they need. They go on welfare or UI. They find themselves outside of the safety

net this country has provided its citizens for the past hundred years or so.

We have to make sure the system is open, accessible and ready to provide opportunities for those who would like to take advantage of them. On the other hand I will look at the overall situation in terms of the opportunities that exist for us as a country.

Let us have a look at the other programs. I want to share some figures. We spent about $33.7 billion annually on UI in 1993. In 1972 we spent something like $3 billion. One would think if we had spent more in 1993 that the figures in terms of unemployment would improve. In other words we should have less people on unemployment.

Unfortunately, the numbers of unemployed since the fifties until now have not been improving. They have been going backward. In the 1950s, the number of unemployed people in Canada was in the range of 4 per cent to 5 per cent. In the 1990s unfortunately that figure exceeds 10 per cent of the population. That does not include the people who are on welfare.

We have to work harder and we have to work smarter. I have said that 33 per cent of our youth are not completing high school and 38 per cent of the population is functionally illiterate. Our world is changing. My colleague from the Atlantic provinces would know that in the past in order for us to support our social programs all we would do was get a back hoe, dig some gold or metals and raw material and sell it. That was easy. We would take a few chain saws, cut a few trees and sell wood. That was easy. Or fish.

• (1630)

However the fish are being depleted, the number of trees is declining as are our raw materials. If we sold all the raw materials we could it would not be sufficient to support the expenditures our government and past governments have made. To that extent we have to do things a little differently.

According to a study published by employment and immigration in the past three years, by the year 2000 approximately 67 per cent of all jobs in Canada will require at least a grade 13 education. Looking at the present situation we will not be able to catch up. We will have to take the kind of bold approach the Minister of Human Resources Development is taking. We will have to take the kind of bold approach the Minister of Finance will be taking when he delivers his budget next February. We will have to take the same kind of bold approach the Minister of Industry will be taking. We will also have to take the kind of bold approach the Minister for International Trade or the Minister of Health will be taking.

We have to look at the way we do things. The Minister for Intergovernmental Affairs has been embarking on a major undertaking to look at the programs the government is delivering and to see if those programs can be better delivered by another agency or another level of government. We will see what we as a federal government can do and what the provincial and municipal governments, agencies or crown corporations can do. That review will definitely lead to a more efficient and dynamic, a more progressive and upbeat government that can move forward with flexibility.

We will never abandon our social programs. The Liberal government will never abandon its commitment to those who need assistance and support. However, we have to look at things and see if they still meet today's needs. I will give some examples.

Despite the fact that we spend some $34 billion on UI and social programs I am amazed there are still 1.3 million children living below the poverty line. A large number of single mothers still cannot find work and cannot make ends meet without a social support network. They cannot get the education required to make a better life for themselves and their children.

There is no doubt in my mind that a review is needed as the Minister of Human Resources Development has stated, that will be effective, affordable and fair. I am very much interested in the aspects of the proposal the minister has put forward which deals specifically with child care and child poverty.

In Canada approximately 450,000 lone parents are on welfare. Ninety per cent of them are women who could work if they had the right support, such as child care. Instead of helping single mothers and their children to get out of the welfare trap the percentage of single mothers who work is actually declining rather than increasing. The problem is that good quality child care is expensive and not readily available.

Most parents are in paid employment. In 1993, 63 per cent of women with children under the age of six were actually in the workforce, up from 47 per cent in 1981 and up from 35.5 per cent in 1976. Despite this increase the supply of licensed child care spaces in Canada is limited. Only 28 per cent of children six years and under with working parents are in licensed day care. I am sure that many of my colleagues know of some people who experience those kinds of difficulties.

• (1635)

The shortage of affordable child care could keep parents, especially lone parents out of work. As well, the lack of flexible work arrangements such as job sharing and compressed work weeks make it difficult for working parents to balance work with

family needs. One would ask how we can help those families and those parents do better.

The minister came up with a number of options. He proposed that we can and should work with the provinces to increase the number of child care spaces. The government already has set aside new funding for up to 150,000 new child care spaces and we will work with the provinces to decide how the money will be spent. Also the government could work with employers to find ways to encourage flex time and a shorter work week.

Also we can invest to help meet the child care needs of parents in paid employment. That makes good economic sense. Some of the benefits would perhaps include more productive employees, jobs for child care workers and less pressure on welfare programs.

Those are some of the things we can do. I could go on but I see that my time is coming to an end. I conclude by congratulating this government on a job well done and I welcome the Prime Minister home after a wonderful trip. It is going to create many jobs for now and the future.

**Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Madam Speaker, first I want to compliment the parliamentary secretary on an excellent and insightful discourse. The sheer volume of facts, figures and information was quite edifying for all members of Parliament I am sure. I would like to ask a couple of questions in two areas.

With his experience in international trade as parliamentary secretary to the minister, I am sure he is aware of the types of educational requirements needed. If we are going to make this economy work, not only do we have to make government function better but we have to make the economy grow. The Prime Minister in his trip to China and the Asia–Pacific has shown the opportunities that are available to Canadians. We have to make the Canadian workforce ready for those opportunities. Perhaps the parliamentary secretary could show us how the social safety net could be utilized in order to take advantage of those international opportunities.

Perhaps the parliamentary secretary could also discuss some of the things experienced in New Brunswick. There are disincentives built into the present system. I am thinking particularly of the UI system in which it is better to stay on UI than to go out and get a job. I am thinking of the welfare system in which it is better to stay on welfare because after taking a low paying low skilled position and getting off welfare the benefits available under the welfare system such as dental care, clothing allowances and allowances for single parents are lost.

For anyone to say that the status quo is acceptable, that we can leave things exactly the way they are obviously has no real understanding of the tremendous change that is necessary and which this government has embarked upon.

I would ask the parliamentary secretary to comment on the disincentives in the UI system and in the welfare systems in the different provinces and also to offer some hope to Canadians through the opportunities in the international marketplace.

**Mr. Harb:** Madam Speaker, I thank my colleague. It was because of his effort and his former experience as a mayor on the Federation of Canadian Municipalities that I was inspired along with my colleague from Nepean to co–chair the Liberal infrastructure task force which went across the country. It visited his home province. The task force came back with a report that was adopted by our caucus. I thank him again for his interest in the well–being of his constituents.

• (1640)

The hon. member asked me to mention the kinds of things we could do to prepare our workers and industries. We have to focus on training. Training and retraining is the key. People might ask: Training for what? That question deserves an answer.

The global economy as they call it and you can call it whatever you want, but every country in the world economy is using high technology tools such as computers, robotics, machinery with advanced technology. Canadian industries have not adapted to that. About 50 per cent of Canadian companies do not use advanced technology instruments to help productivity.

After Belgium, Austria and Australia, Canada's expenditures per capita on research and development are the third largest in the world but the private sector is nowhere to be seen. Canada's private sector, industry in Canada is not spending enough money on research and development. Because the job market is going to require at least a grade 13 education and the required information base, understanding and knowledge, we have to invest in the areas of research and development, education and training.

The member asked what we could do to improve employment services. The minister is already looking at ways and tools to improve these services such as individual job counselling, helping people develop their own employment plan, providing information about the job market, pointing people in the right direction, giving them access to basic skills training, and helping them with reading, writing and math. We must give them better training programs to acquire skills that match—a key buzzword—the local labour market. That is very important. Train them for what? That is the key. Many of my constituents ask what they are being trained for.

We must work in co–operation with the private sector. It takes two hands to clap. You cannot clap with one hand. Government cannot do it all by itself. We need the co–operation of the private sector. We have to work with it hand in hand.

With respect to trade this government has probably done more in that area in a short period of time than any other government in the history of Canada.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Madam Speaker, let me go back to what the hon. parliamentary secretary said at the beginning of his speech, namely that it must be recognized that the reform under way is aimed at reducing the debt and the deficit. I do not want to repeat the figures, but he admitted that this reform was a total package in relation to the existing economic situation.

He confirmed that the debt and the deficit will be reduced at the expense of the less fortunate, that is, the seasonally unemployed, students—some of whom we saw last week on Parliament Hill—, single mothers, high school drop–outs, to whom he also referred in his undoubtedly accurate figures. It is true that over 33 per cent of our students drop out of school. We must of course put our fiscal house in order before it goes bankrupt, but not at the expense of the less fortunate.

I wish he had mentioned other ways to reduce the deficit. There are other ways such as family trusts, to name just one. What is keeping them from taking action on this front? What is keeping them from going after the millions of dollars we are losing because the GST is poorly administered? We could then achieve the same goal, that is, reducing the debt and the deficit, but not at the expense of the less fortunate.

• (1645)

**Mr. Harb:** Madam Speaker, I would like us to reread the "blues". I never said that all this government wanted to do is to reduce the deficit on the backs of the poor. On the contrary, I will again repeat what I said, in case the hon. member did not hear me. We will continue to set up and launch the necessary programs to help Canadians. Let me quote what the minister said in English:

[*English*]

"A hallmark of our Canadian society is our commitment as a government to people who cannot work because of illness or injury, low income families struggling to make ends meet, people with disabilities or chronic illness and children living in poverty. Our social programs are the way in which we offer protection and hope to Canadians". He goes on to list some of the social programs that we have in place.

[*Translation*]

Madam Speaker, the minister is dealing with the needs of people who ask for help.

I especially want to point out to the hon. member that I never said in my speech that we would reduce the deficit on the backs of the poor. I am sure he agrees with me that we must control the deficit. To control the deficit, we must act more intelligently. If the hon. member tells me that $50 billion a year is not enough spent on education, well, I do not know, but we spend more than any other country in the world.

Probably what we need in the end is to harmonize the systems, eliminate duplication and deliver services better, and I am sure that we will end up saving money, but never on the backs of the poor and those who need assistance.

[*English*]

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Madam Speaker, I have a number of areas that I wanted to touch on but I keep adding as I listen to this debate here today.

One of the areas that I would like to touch on briefly are the comments made by the hon. member for Broadview—Greenwood. I listened with interest to his heart warming and somewhat inspiring story of his grandmother. I believe that many people have similar stories. It does show what people are able to do under adverse conditions when the need is really there.

One of the interesting things is that we have gone too far. I think the pendulum has swung the other way. I do not think we want to return to conditions under which he mentioned where there is absolutely no help for anyone under virtually any circumstances. It is very warming that his grandmother was able to persevere in the face of that kind of adversity.

Nowadays we have a different situation. I have one friend as an example who has a son who plants trees. This may be alien to some of the people in some regions of the country but in British Columbia tree planting is a very active profession during the summer months. Someone who is a good tree planter can make a great deal of money during that season; $35,000, $40,000 or more in a three or four month season for those who are very good at this. It happens that his son is one of these who is very good at what he does and he makes very good money.

During the balance of the year under the existing system he collects unemployment insurance. When I talk in terms of the pendulum swinging too far the other way, this particular individual belongs to something that is known in my riding with some satire, with tongue firmly in cheek, as the UIC ski team. He is an avid skier. This particular individual spends a lot of time at the local ski hill and to his credit volunteers a lot of his time to the voluntary ski patrol which is very worthwhile.

The interesting story that his father conveyed to me is the fact that this individual one season was offered a job at the mountain to be on the regular ski patrol and to be paid for it. He went home that night and pondered his situation. He looked at his UIC benefits and looked at what he would be paid as a member of the ski patrol.

• (1650)

He weighed all the factors and he went back to the ski hill the next day and told them that he would be happy to remain a volunteer at the ski hill, but if he took the job he would give up his UIC and his net benefit would be a drop in income. He did not particularly care to do that.

We have improved over the hardships that people like the hon. member's grandmother had to live under and deal with. As I say I think perhaps the pendulum has swung too far the other way and these are the kinds of things we are going to have to look at when we talk in terms of social reform.

One other factor that I want to touch on while still on the subject of the hon. member for Broadview—Greenwood is that of women in business. Once again it is something that is moving in the right direction but with a potential problem as well.

We saw recently in the province of Ontario a provincial government ad that said in essence white males need not apply. There is no question that women, whether it be in business or in any other area, have been discriminated against in the past. I hope that time is coming to an end. I am sure there is still discrimination out there but it is being reduced, it is being dealt with and it is something that people are now very much aware of.

However, it is hard to really properly deal with it by introducing various types of reverse discrimination. There is a risk in doing that if you can help a woman to go into a business, to assist her and give her some benefit that is not available to other people. We see this not only in the area of women in business but we see it in many things. It applies in general business without categorization—it might be men to men—but nonetheless we have to take a very cautious look at any area which offers specialized help for any one group no matter what it happens to be.

We obviously have to reduce the amount of money we spend, the payments that we make, as it were, under social programs. It has been said by very learned people that by some time in the next decade the cost of our social programs combined with the interest on our debt—those two factors alone—will exceed the government's income. Obviously reductions can be made in other areas but if you eliminate everything, if you eliminate the departments of agriculture, fisheries, defence, foreign policy and all other departments, totally eliminate them, we still would not deal with our debt problem. Obviously changes have to be made under social programs.

However, before we start reducing payments made under these programs we have to first reduce costs in other areas. These costs have to certainly be in the delivery of social program benefits. Not just under that, we have to look at all the other programs and all the other departments as well.

One of the things that will happen is if we stop removing so much money from people in all the other areas it puts less pressure on the social programs.

Something we might want to look at under agriculture, for example, is grain car allocation so that the farmers are better able to get their grain to market; likewise, the labour disruptions at ports. These are problems that affect the revenues of farmers. Not only that but as we saw in the last labour disruption in the port of Vancouver, it had a spinoff effect that started to shut down factories in other parts of the country that had absolutely nothing whatsoever to do with farming or grain. It is a matter of problems that tie up the ports and then start to affect people in other areas.

In my own riding Cominco Ltd. had I think about three days worth of supplies left before it had to start providing layoff notices. These are things that we have to look at.

On business subsidies, we are talking in terms of women in business. These business subsidies also apply in other areas. One of the problems with business subsidies is that not all people get them. How do we reconcile the fact that we give a subsidy to one business and not to another? We could end up with a government subsidized business competing directly with a similar business that receives no subsidy.

The hon. member for Broadview—Greenwood had a question after his talk about why there cannot be some form of program that allows people on unemployment insurance to start a business of their own while collecting it.

• (1655 )

There is such a program called SEAP, the self–employment assistance program, which does exactly that. One has to be on unemployment insurance in order to apply for it. The benefit that one gets is one year from the point of time that one's program is approved one gets to remain on unemployment insurance for one year while one starts his or her business.

That has some potential but again it is one of these things where one cannot just arbitrarily say what a wonderful program. I have had cases come up in my riding recently in which people who were on unemployment insurance were given the opportunity to start a business and had their unemployment insurance benefits continued while they did this for one year. However, two cases have come up in which they are in direct competition with existing businesses.

The latest case that has come up has resulted in the person getting this assistance dropping his prices to carve his niche into the market which will result in the other competitor who is already there and did not get assistance before and is not getting

assistance now probably laying someone off. Our program in this particular instance does not work.

We also have to look at such things as interprovincial trade barriers. The Atlantic provinces, for example, receive economic development grants as do other regions of Canada. Just to put it into perspective, the cost to the Atlantic provinces of interprovincial trade barriers exceeds the benefit they get from the economic development grants. Obviously we have some changes we could make there that will enhance the prosperity of the region and take the pressure in some areas off of the social programs.

We have the salmon fisheries on the west coast. The salmon fisheries are now headed down the road that many of the Atlantic fisheries have already travelled. We have a problem out there and this problem has to be dealt with. It has to be dealt with openly and quickly or we are going to have the same kind of problems in the west, at least in the fishing industry, that Atlantic Canada has experienced for many years.

We then have the firearms legislation. We are now talking it seems about the registration of rifles and shotguns, anywhere from seven to twenty–one million of these rifles and shotguns depending on whose figures one uses. Let us say it is probably somewhere in the middle between those two figures. The expected cost of that could run as high as a billion dollars or even more. That is a cost to the taxpayer.

Even if we charge an amount for each registration that is equal to the cost of the government registering them, it is still removing a billion dollars out of our economy that is doing absolutely nothing to resolve any of the other pressing problems of government or the deficit and debt problem.

RRSPs are probably one of the most dangerous things that the government is playing with right now because it is trying to get some revenue out of possibly attacking RRSPs, the cost of which will be future problems down the road. If we have a shortage now because we are trying to pay pensions and other benefits to people who in some cases do not need it, think of the problems we are going to have further down the road when we are telling people they have to be more responsible for themselves, they have to look after themselves if they are able to do so when we potentially may set in force legislation today which will affect their ability to look after themselves somewhere down the road.

On the unemployment insurance commission, before we can go out to industry and start attacking industry that we feel may not be acting in the country's best interest, the government has to get its own house in order. The minister responsible for UIC specifically singled out the automotive industry. Maybe he should. Maybe there is a problem there. I am not an expert in that area but what I do know is that there is five times the cost that the auto industry causes the unemployment insurance program right in the government to the point that it is costing some $400 million a year because of seasonal benefits in the government. The government cannot attack industry until it has its own house in order.

• (1700)

Under the question of consultation there is a problem that I have seen. I realize that this is my opinion and the government is free to counter it. I have seen a lot of instances in different bills in which the government loves to have a long list of all those groups it has consulted with. When we see this list of businesses, organizations and individuals who have been consulted with, we are supposed to assume that the government then automatically has listened to the input from these people it has consulted with and drawn its legislation based on that.

We know the reality is that does not happen. The most prime example is the Minister of Justice again. The Minister of Justice has been quoted as saying with regard to the firearms lobby: "I will not produce legislation on the basis of head count. I will do what I believe is the right thing". This could be very easily interpreted as: "I do not care what you want, I know better".

Reform consultation is ongoing on this particular thing as it is with the Liberal members in their various ridings. We are going to great length in trying to consult with people to find out what changes they will accept, what alternatives they have to suggest and how they see we should deal with the problem. The question is will the government consider our input after we have had this consultation or will it continue with its own agenda?

I am having quite a number of meetings in my own riding. I am setting up to meet with pension groups, medical professionals, education professionals, labour groups, employer groups and student associations. In addition, to get a feeling of the general constituents in my riding I am holding ten town hall meetings over the winter break.

With regard to dealing with student groups, I have a particular concern that we do not make significant further cuts to transfer payments in support of post–secondary education. We talk about government spending in the past. Whether it be Liberal or Conservative does not matter. We are here now and that is what happened in the past. Nonetheless we are in a situation in which we have mortgaged our children's and grandchildren's futures.

When we start dealing with student groups we have to recognize that we have already placed a huge penalty upon these people. Let us not add to that by placing another obstacle in their way to their getting the implements they need to deal with the legacy of debt we have left them.

**The Acting Speaker (Mrs. Maheu):** I am sorry to interrupt the hon. member, you are not quite out of time.

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 Kootenay West—Revelstoke, Pearson International Airport.

**Mr. Gouk:** Madam Speaker, my colleagues are pointing out that I have placed you in a position in which you have to interrupt me to tell me that I will be speaking further after I finish speaking.

I am pretty well wrapped up on this, other than to say that consultation will take place. The very first thing I said when I rose in this House for the first time at the beginning of the session in the spring was that I am not here to oppose for the sake of opposition. I will be the first to applaud the government when it brings in legislation I or my constituents agree with. If I do not agree with its legislation then I hope I would be able to offer some constructive alternatives. That is what we are trying to do in terms of meeting with the people.

I have my own certain ideas. I am not trying to sell these at town hall meetings. I am trying to explore with people what types of alternatives are out there, what the bottom line is that we have to reach, what the government is proposing and then listen the kinds of choices they make. I hope we will have good opportunity for consultation. We will not take an adversarial roles, saying we cannot accept anything you do because it makes less of our plan or vice versa. In the end we want what is going to work for the people of Canada. I trust we are all working toward that goal.

• (1705)

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Madam Speaker, I thank the member for Kootenay West—Revelstoke for his comments on my earlier remarks.

I assure the member that we are sincere. The Minister of Human Resources Development is someone I have watched in this town since 1980. He is someone who respects good ideas. Without ideas we are dead around here.

The members opposite should feel that any good ideas they put forward here, no matter where the members come from, if they will make the fabric of this country better we are going to take them.

I want to pick up on the member's comments about the unemployment insurance ski team member. I have problems with the UI ski team. I have problems for a number of reasons. I think the member said this person was making approximately $40,000 in three months working in his forestry career. If someone is doing that in three months and then all of sudden going on this unemployment insurance system, I think of the ski unit, if it happens at a time when it might displace someone else who needs more than the basic minimum wage that a UI cheque would give I think we are putting that other person at a disadvantage.

In other words if I were looking for a job on the ski slopes and needed to get $15 or $20 an hour because I did not have the $40,000 income for the three months, and if all of a sudden I do not get the job because here is a fellow who is volunteering his time and it is not costing the employer a nickel, we are working against ourselves.

Does the hon. member not think that when a firm receives the benefit of having someone contribute toward the health and viability of his business where it is being funded by the taxpayers through the UI system perhaps there should be some accountability so that we are not working at cross purposes?

**Mr. Gouk:** Madam Speaker, I am not sure exactly where we ended up with that question. I am sure the member will correct me if I get too far off the track.

In the case of this particular individual I mentioned in my example, there are both volunteers anyway and full time people they are required to have as part of their licence. This individual by volunteering was just that, a volunteer who would if he had taken the full time job hopefully have been replaced with another volunteer. The full time job that he did not take because he was a volunteer still existed and still had to be filled by someone else. In that particular example he was not taking away someone's job by volunteering while supported by his unemployment insurance benefits.

I think where the problem comes overall is we have taken some of the incentive away. It is not just a matter of policing. Some would argue that if there is no work for this individual and he is getting unemployment in any event he might as well be on the ski hill.

The argument is that one of the things we are looking at in our policy dealing with unemployment insurance is if someone makes $40,000 a year, should he be able to collect benefits which are paid in part by someone who has a $27,000 a year job and works 52 weeks of the year paying premiums so that individual can be off.

There has to be some cut through which we say you have made over a certain amount, you have gone beyond what we have guaranteed you would make and therefore you are not eligible for further benefits or at least it would be at a severely reduced point.

• (1710)

I am sure the hon. member is aware of our concept of old age pension for people with high income. If we applied the same type of principle to the unemployment insurance program, the saving would run to quite a few billion dollars.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Madam Speaker, first I want to emphasize a positive point made by the Reform Party member. I agree with him when he says that, as regards post–secondary education, the federal government should not put students deeper into debts. Consequently, the hon. member would oppose a reduction in federal transfers to the provinces for education. I hope his views are shared by the rest of his caucus.

The hon. member approves the reform and every measure related to it. In fact, he said that on top of implementing this reform, we should also look at program expenditures. I agree that many departmental programs should be reviewed. However, my question is: Before implementing a social program reform which targets the poor and the unemployed, does he not think that we should take a look at foregone tax revenues for the government, because of family trusts, because of a major shortfall in GST collection, and because of subsidies granted to industries which do not appear to need them? Does he not agree that, before implementing this reform, the government should try to recover all the money it is losing right now?

[*English*]

**Mr. Gouk:** Madam Speaker, certainly there are problems. I assume the hon. member was referring largely to such things as the underground economy and how a lot of revenue the government should be collecting is disappearing. There are two ends of the scale. There are allegations that at the top end of the scale there are people who use tax loopholes to escape paying their due portion and at all ends of the scale from the bottom up there are people who are using this underground economy to escape paying high taxes and particularly the GST.

These are things that definitely have to be addressed. One of the ways we are looking at addressing the tax system is using a flat tax type of system. Interestingly, one of the models I have looked at was originally devised by a member of the Liberal Party. Unfortunately it did not get a lot of response at the time.

We have system that we have devised in which we will ensure that each person pays a fair share. The only deductions that will be allowed are those that apply to the most general population across Canada. With regard to the money we are losing in things like GST and so on with the underground economy, one of the problems is if we put so much burden on people, they finally will get to a point at which they justify in their own mind that it is proper, that it is actually the right thing to do to avoid paying taxes wherever possible. We saw this in the case of the cigarette tax in the east where people openly flaunted the fact that they were buying cigarettes that did not have the tax paid on them. People will get to the point at which they say enough is enough.

These are things that have to be dealt with. We think the only way that will be dealt with, rather than extracting more money or enforcing under GST, is to get government's end under control, which is the spending. We have to reduce the government's need for those tax dollars. We have to deal with the tax burden that is placed on people so we are not taxing people to the extent that they find every loophole they can get, legal and otherwise, to avoid paying their fair share of taxes.

• (1715)

**Mr. Brent St. Denis (Algoma, Lib.):** Madam Speaker, it is a special privilege for me to participate in this debate. I am going to spend my time talking about what this government has been doing and proposes to do in support of older workers who sadly find themselves displaced from a job at a time in life when it is not easy to find a new job.

I want to preface my remarks by saying that I have tremendous confidence in the Minister of Human Resources Development. He has put a set of options on the table that I believe are historic. They are based on extensive consultations which took place earlier this year. They are packaged in a format that Canadians can easily understand. I am confident that when the message is fully out and all the options are fully explained, Canadians will significantly support what it is we need to do to put Canada's social security safety net on a solid foundation for the future.

I have had a number of round table discussions in my riding of Algoma over the last few weeks. I have met with a wide cross–section of the community to discuss how these options might affect them and to elicit their feedback. I have been most impressed with some of the things I have learned. I will not dwell on those items today. I am not finished those consultations and in fairness to the participants, I want to give them a summary of those meetings. I will report their comments, the consensus and disagreements to the standing committee and to the minister by early December.

I get the sense that Canadians agree something has to be done to improve how we take care of those in need, how we make sure our young people get a proper education, how we take care of older workers who find themselves displaced. I am confident that the proper choices will be made when legislation is proposed next year.

I especially want to spend time talking about the men and women who have devoted their lives to building this great nation. I know hon. members will agree that older workers deserve the same consideration as do all Canadian workers. Of course older workers generally find change much more difficult to deal with than younger workers, which is quite understandable.

In years past workers could count on being at a job from their late teens or early twenties until it was time to retire. Unfortunately and regretfully times have changed and the world of work has changed. Our country is very much enmeshed in the global

economy and it is not so easy for people now to look forward to a lifetime of work at the same workplace.

We require of our citizens and of ourselves a lifetime of learning and adaptation, but there are older workers who find themselves trapped. We are all creatures of habit. After spending 25 years or more at one job it is quite a challenge to suddenly be out of a job and faced with finding another job. This is usually a shock to the worker and his family. If it is part of a large lay–off in the community it is a shock to the entire region.

Canadians are resilient. We have adjusted over many decades and I am sure we will be able to do so in the future. This government is certainly not abandoning older workers during the reform of our social security system. They are very much full participants in the reform process.

This stage of social security reform is a learning process and we are learning from the measures we have already taken for older workers. For example, I remind hon. colleagues that the government did not abandon older workers who were hard hit by the decline in a large number of this country's industries. We have seen tremendous dislocation over the last 10 years. We have not and will not abandon those in need. The coming changes will ensure that those in need are protected.

• (1720)

One program that has been most helpful and has come into play in a number of difficult situations is the program for older worker adjustment, commonly known by its acronym POWA. Through absolutely no fault of their own many older workers find themselves out of a job and sadly with very little chance of finding a replacement job. This is where the program for older worker adjustment can be so helpful.

Canadians want us to show compassion for those individuals, those hard working men and women who have contributed to the economy of Canada for the greater part of their lives. Let me emphasize that POWA is not a disincentive to seek work. By helping older workers adjust because they cannot find a job is not keeping them away from the workplace but simply providing a safety net or a bridge until they can make an adjustment or until their old age pension comes into play.

This program is only one of a broad range of options available to older workers. As I say, it is only one measure the government has taken to support older Canadian workers. POWA has been a carefully crafted program that addresses the needs of workers. It is a fine example of government innovation and partnership between the federal government and various provincial governments to provide long term income assistance to older workers with little or no re–employment prospects.

I can say from personal experience and the experience of hundreds indeed thousands of workers in my riding of Algoma that a number of laid off workers have benefited from the program for older worker adjustment. Since 1990 we have seen the loss of nearly 4,000 mining jobs in the community of Elliot Lake. In this group of nearly 4,000 workers many hundreds have been in the awkward age of 55 to 60.

The program for older worker adjustment has been of significant help to many hundreds of laid off workers in Elliot Lake and the north shore region of my riding. While POWA cannot solve the financial problems of every individual family, it can play a major part in making life a lot easier during a very difficult time for these laid off workers.

I would like to point out another example of where this government has exhibited its extreme interest in older workers. In the province of New Brunswick there is the New Brunswick job corps program. It is a proactive program that helps older workers get back into the labour force. It is different from the program for older worker adjustment. It recognizes the need to try different things in different areas and is a newer initiative.

I will explain how the New Brunswick job corps initiative works. I will use the example of Gilles, which is a name I will use for the purpose of this discussion. He is a 53–year old worker who was on social assistance. Like many others his age, he had years of work experience but could no longer find work. At 53 it was very difficult; the new technology had simply pushed him aside. He was in danger of getting caught in the welfare cycle and Gilles being a proud person did not want to be on welfare.

Thanks to the federal government's strategic initiatives program, we have been working in partnership with the New Brunswick government and since last July Gilles has been employed through the New Brunswick job corps. This older worker is now employed by the city of Bathurst in its parks, recreation and tourism department. How does Gilles feel about this? To quote him he says: "I would rather be here than on welfare". I do not think it matters so much the kind of work Gilles is doing.

I am certain all of my hon. colleagues will agree that very few people who find themselves on welfare, family benefits or unemployment insurance actually prefer to receive their income through those programs. As the Prime Minister has often said the very best form of assistance and the best form of income is a job. One can achieve the dignity of bringing home a paycheque with which to purchase the family's food and shelter.

• (1725)

People like Gilles, and there are many thousands, can benefit from the kinds of initiatives this government is bringing forward

that will give people a chance to have dignity each day as they bring home a well earned paycheque.

The strategic initiatives program is a partnership with the provinces and territories. Together we are funding projects on a 50:50 basis. In the New Brunswick example it is a $40 million investment over five years. This new kind of partnership, along with POWA which has been in existence for a number of years, is an example of the leadership of this federal government in trying to get this country back on the right road. Another example is job link in Ontario, a creative idea to allow welfare recipients broader opportunities to get back into the workplace.

Gilles is only one of about a thousand participants in the New Brunswick program. Older displaced workers between the ages of 50 and 65 are given a guaranteed annual income of up to $12,000 in return for a minimum of 26 weeks of work. It gives these deserving men and women the opportunity to feel good about themselves. They are doing meaningful work and contributing to the prosperity of their province.

The strategic initiatives program is enabling us to test innovative and cost effective ways of reforming our social security system. It is helping us to determine the best approach to creating lasting employment, to understanding what is needed in education and training and to adjusting income security measures so they address the realities of the 1990s.

Of course the question often comes up: What have you done for us lately? This past Friday on behalf of the Minister of Human Resources Development I was involved in the announcement of a major study that will eventually help us to understand measures needed to assist older workers and other laid off workers.

This major study was announced in Elliot Lake. It will provide valuable information, research that is available nowhere in the world on what happens to the community, the businesses, older and younger workers, families, spouses, children, teenagers, when there is a major layoff in a community.

The study will be undertaken by a research team from Laurentian University in Sudbury in co–operation with the community. It will study the long term effects not only on displaced workers but on their community.

Something like 4,000 jobs have been lost since 1990 in a community where the population was roughly 18,000 and several more thousands in the nearby north shore. There is only one mine left with about 550 workers. In spite of that some marvellous things are happening in the community of Elliot Lake and the surrounding area. You would be surprised at how vigorously the community has responded to the tremendous challenges it faced when the major layoffs occurred. I am very proud to have this community and this region in my riding.

I believe this study will show that this occurrence and the response of the community will be an example to the rest of the country on how to deal with major layoffs. Imagine nearly 4,000 workers out of a population of 18,000. That is nearly 25 per cent of the entire population. They had good paying jobs in the mining sector. Take 4,000 jobs out of a community and see what happens if there is no creative response.

Come and visit the area and see the miracle that is occurring, the response. In fact the population did drop a little bit. It is about 13,500 now. Projections are that it will soon start growing if it has not already done so.

• (1730)

This research announcement is again a partnership initiative with the province. The federal government will invest a little over $2 million under the innovations program. I believe great things will be learned from this exercise.

In Quebec the federal government recently announced joint assistance to help eligible unemployed older workers between the ages of 55 and 59 whose benefits after unemployment insurance and other normal assistance programs had run out. Major lay–offs which meet the program criteria are designated by federal, provincial and territorial ministers on a case by case basis after being assessed according to a range of socioeconomic factors.

The government is not sitting back, lying down and waiting for things to happen. We are acting proactively to anticipate what Canadians need.

This is all part of social security reform. Older workers are invited, in fact encouraged to give their views to the Standing Committee on Human Resources Development during the committee's current public hearings. Their input is welcome and will be given as much consideration as that of any Canadian. Of course all citizens are entitled to express their views to their member of Parliament. I am sure that each member will ensure the minister and/or the committee will hear their views. It is important that we reach a consensus on how to repair the social safety net.

As I said earlier, older workers are full participants in social security reform. Through the various programs and services that address their needs we will gather valuable information. I assure the House that the information will be reflected in our development of new social security policies and programs.

I have been focusing on older workers particularly. The critical needs of our older workers must never be forgotten. The workplace has changed permanently and we must be creative in our search for solutions.

I would like to conclude there. I mentioned earlier the round tables that I have had in my riding. I have been amazed at how much I have learned sitting around a table with average Canadians. We were all equals at the table. With all due respect to this place, I have learned as much around the table over a cup of coffee with average Canadians as I often have at meetings here in Ottawa. It is amazing the insights that one can get and garner

from the experiences of folks who are living with their problems in their communities every day.

I encourage those members who have not already planned their round tables or public meetings to do so. They are well worth the trouble.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Madam Speaker, throughout his speech, the hon. member had nothing but praise for his minister, the Minister of Human Resources Development. I wonder whether tomorrow morning he will go to his office to receive a token of appreciation.

The hon. member said that the document we are discussing was the result of extensive consultations, and that is the point I would like to discuss: those extensive consultations that produced a reform to be implemented at the expense of the most vulnerable in our society—the unemployed or the beer drinkers, as they call them.

If these consultations were so meticulous, why, when we are consulting the public, does the minister send his go–between to do the ground work in our regions? The hon. member for Outremont is now scouting around Quebec to get the pulse of the people. In my own riding, in Chicoutimi, only fifteen people turned out.

This is a waste of taxpayers' money. In Jonquière, the number of spectators, because that is what they were more than anything else, was even lower, and in Roberval they had to cancel the consultation. Since people do not want to hear about this reform, because it will be at the expense of the most vulnerable in our society, I think the minister should do his homework all over again. The public consultations being conducted by the committee across the country are a sham.

• (1735)

[*English*]

**Mr. St. Denis:** Madam Speaker, I want to thank the member for Chicoutimi for his comments and his question, although I believe he has it wrong. To suggest that the member for Outremont needs to go out, scout around and prepare the way for the Minister of Human Resources Development misses the point.

First, I would suggest that a turnout of 15 at the meeting he refers to might also suggest that people are satisfied with the options that have been put on the table. They were not so worried that they had to go out and participate. I put that forward as a possible explanation for the low turnout. In polls that I have read, something in the order of 60 to 65 per cent plus Canadians support the initiatives we are taking in repairing and renewing our social safety net.

Canadians have confidence that we will not take measures that will hurt those in need. To suggest we are doing this on the backs of the needy flies in the face of the philosophy on which our proposals are based. It is an attempt to deploy dollars in a more effective way so that those truly in need can get the help, retraining or assistance they need in order to become players in the workplace.

The hon. member really has it wrong. I would suggest that he re–read the documents. The pulse I get from talking to the people on the street is to keep going for the changes. Move ahead. Do not be worried about our detractors, those who would speak negatively of our initiatives. We all agree changes have to be made. The status quo is not acceptable.

**Mr. Nick Discepola (Vaudreuil, Lib.):** Madam Speaker, I listened with enthusiasm to the report by the member. I would like to participate in the debate by sharing what my hon. colleague already knows, that I get a little bit upset when I hear day after day, when the government advances any type of reform, we are doing it on the backs of the least fortunate. To use this as an occasion to exploit those more unfortunate for opportunistic reasons I find is self–serving.

My colleague and I both sit on the finance committee and we listen intently to the debate that is going on about the deficit. We both know that if we were to attack or remove outright the subsidies to small businesses, as business has told us, if we were to tax lottery and gambling winnings, and simply do as members of the Bloc Quebecois have said: "Cut government spending and defence spending" by 25 per cent, I put it to the House that the $3 billion the finance minister needs this year and the $6 billion the finance minister needs next year, the $9 billion could come from these.

How can members of the opposition continually stand in the House and say that we want to reform social security on the backs of the unemployed, students and the least fortunate? As the member knows, the status quo is not acceptable, not only in Quebec, it is not acceptable anywhere in Canada.

Does he not agree with me that the present programs are outdated, no longer respond to the needs and aspirations of Canadians and Quebecers alike?

**Mr. St. Denis:** Madam Speaker, my colleague is dead on. He has in very few words concisely put our government's agenda in the proper perspective.

• (1740)

My colleagues—at least the colleagues who would admit it, which would be the members of my party—and I are not receiving from our constituents the complaints about leaving programs exactly the way they are. "Do not touch them". We are not receiving those kinds of comments. People generally recognize that change has to take place. To argue: "Don't make

changes because this will happen or the sky will fall down" is totally inappropriate.

Those in need, the poorest of the poor, need us to make changes so they can more properly take their place in the work place. One of the previous speakers from the governing party mentioned literacy for example. There is a 38 per cent illiteracy rate in Canada. Almost four out of ten Canadians experience some serious degree of illiteracy where they have difficulty functioning in number or language skills.

This is part of what we are talking about in dealing with a redeployment of human resources. To say that we are doing this on the backs of the needy is churlish in my view. It is complaining for the sake of complaint. Let us get on with the job. Let us recognize and acknowledge that what we have done, as my hon. colleague said, for 20 or 30 years is not acceptable anymore.

Times have changed. The world is changing. We do not want huge sectors of our society being left behind as we move into the next century. If we care about our fellow Canadians, we must gather them up and move together. If we do not take action now and improve our safety net programs, we will leave those folks behind. That would be a tragedy of epic proportions. We have to take action.

I suggest the options that have been placed before Canadians are the right place to start.

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Madam Speaker, I am pleased to address the government's proposed social policy review today. I have been pleased to take the charge the government has suggested to participate in fostering informed public debate by taking up the debate in my constituency in the last several weeks.

Today I would like to spend the majority of my time on the issue of the family as it relates to child care. First let me echo the surprise and concern of some of my constituents as I talked to them in the past while.

First, when the whole social security program was presented, including old age security, the CPP and federal government transfers to provinces for established programs and equalization, the people in my community were convinced that surely we cannot avoid reducing expenditures in social program areas, as this represents a very major portion of government expenditures.

In fact at present rates of growth in these very programs, social program expenditure and debt service charges alone will exceed our total revenue in government within just a few years. Cuts must be made. However, they feel that taxes must not be increased, specifically as relates to our CAP. They were shocked to hear that the federal government forbids a work component in any welfare assistance.

There were a few things they were shocked about. They were shocked to hear of the unsecured liability of over $500 billion, as great as the federal debt, in the CPP program alone. They were angry at a government that would possibly consider taxation of RRSPs when its own security programs for seniors, including the old age security program, are becoming totally unsustainable.

Changes must be made to provide a social security system that addresses the real needs now and for the future of our citizens.

• (1745)

As we speak of the future, I would like to spend the majority of my allotted time on the foundation for that future. The Reform Party believes in the importance of strengthening and protecting the family unit as essential to the well–being of individuals in society.

The family, I believe, is the fundamental building block of our society. Not only is it the best institution for the transfer and protection of values, of culture and of social stability, it is the very best institution for the practical realization of our social policy renewal.

I stand distinct in this House today in the fact that my background has basically been one of a homemaker. I have heard in this House people complain about different programs that government proposes or that are actually in existence that make one spouse dependent on another.

I am not sure that is always a bad idea. A dependency in our social structure between people especially if those people can create a unit that will indeed strengthen the base of society is not a bad thing. There is strength in numbers. There is strength in combination of talents. There is strength in bringing viewpoints together.

Our society must be built on values such as commitment and understanding, shared goals and willingness to sacrifice. These things are epitomized in our families and they should be honoured in that situation.

Recently while attending the Standing Committee on Justice concerning changes to the Young Offenders Act I was not at all surprised to hear a witness remark that he felt that government legislation had worked against families.

I see it often in my constituency office in stories from distraught parents as to how those provincial and federal laws, their programs and their bureaucracy have affected their children, their ability to make a living and even their hope for their future.

Short term planning and ever escalating government programs have removed authority from parents. They have skewed their responsibilities in all directions and even hinted that perhaps they should not even work together in the home, it is better to work outside the home, and then they diverted their energies from their families into basic economic survival.

With the social policy review, once again the government proposes new and bigger programs that will adversely affect

families. Even presently according to the children's bureau federal spending on children exceeds $15 billion a year.

Again much of the government's social policy focus is not on families but on children and more specifically to our discussion today the issue of the best care for our children. Like all Canadians, I would like to see the most effective means available to create opportunity for the families of these children.

This solution, however, may not be—I do not believe it is in government programs—only addressed to children. Children are a part of families.

Specifically as relates to child poverty, the backgrounder to the discussion paper reads: "The very best way to fight child poverty is for parents of poor families to have a job". Given the present levels of government debt and spending, potentially made even worse as I have mentioned by increased government programs, let us take a closer look at this statement.

What happens when a family gets a job, particularly when a single parent family gets a job? May I suggest that single parent families or one earner families have a very difficult time in making ends meet even now. Let me explain.

Recent statistics out of Port Moody—Coquitlam, my home riding, tell us that over 80 per cent of families are composed of a husband and wife and 12 per cent to 16 per cent, depending on the community, are single parents. Surprising to some, this actually is quite consistent with out national statistics.

Nationally approximately 80 per cent of families are dual parents. Twenty per cent are single parents and that is up from approximately 17 per cent in 1981. Of concern are the low income families, that is those that fall below the StatsCan low income cut off point.

What I found interesting was that over one–half of single female parent families, precisely 51.6 per cent, are low income when they work. They have a job but they are still low income. Almost one–quarter of one earner dual parent families are low income. These tell me that a job alone is not enough. One earner is not enough.

• (1750)

What is there in this make–up that encourages the single parent to actually get a job? There is not much. Over half of them will still be in a low income category.

Given our present unacceptable high taxation directly resulting from continued government debt, spending and continued government program creation this poverty trap cannot be solved by a job alone.

Recently during consultations in my riding I had a long discussion with a single mom. She already was having to do dishes at two o'clock in the morning after juggling work, child care and unfortunately right now time with a sick elderly parent. She was asking me what more can she do. When I said to her that the family should be the primary care giver she asked me if we were asking her to do more. She just could not comprehend her ability to do more than she is already doing.

However, it is ever increasing government spending that will end up asking her to do more in the long run. Less and less of what she earns when she is working will be put toward her family. It is decreased government spending, decreased government programs at all levels that will actually free her to make more decisions and to apply her time the way she should.

We are simply asking that the government do less and allow her greater choices with her consequently saved tax dollars. Such savings would allow individuals such as this single mom to be more self–reliant. Families would be able to choose their child care. Communities would benefit from the increased local resources and businesses would thrive and share in programs to support their local needs. This is a real long term and far reaching solution.

Government economic and fiscal policies not only affect the income levels of Canadians, StatsCan figures reveal the average middle class after tax income was $39,500 in 1980 and by 1991 that figure had dropped to $37,200. Government economic policies have actually been instrumental in forcing dual parent families into dual earner families simply to make ends meet. Presently most Canadian parents are in the workforce including those with preschool children because of the demands of taxes in their lives.

The federal government presently spends more than $400 million every year on institutionalized day care. Its red ink book promises $720 million more tax dollars over three years on subsidization or the creation of up to 150,000 new child care spaces. The 1994 budget promised $360 million tax dollars toward a national day care program over two years if economic growth hit 3 per cent this year.

Reformers totally reject such a program regardless of our economic growth. Child care should be a personal choice. I along with many Canadians believe that the very best care is in the home. Canadians reflect that in their present decisions. According to a 1994 Statistics Canada report less than 40 per cent of child care presently takes place in day care centres.

In my riding of Port Moody—Coquitlam the clear choice of child care for most parents is to have their children in the care of a sitter, a neighbour or a relative. Private child care is a natural part of many neighbourhoods. Moms with young children can opt to care for their own children and the children of working neighbours. Communities can work together. Child care needs are met in the communities.

The government's proposal would create unnecessary spaces at a high cost to the taxpayer. Subsidization exclusively for their programs would coerce participation in government facilities over more casual arrangements as well as create yet another

penalty against that parent who chooses to stay home to raise his or her own child out of their own convictions.

• (1755)

Relating to the government child care activities in the national day care program, let me read yet another interesting quote from the social policy review discussion paper: "Linking child care and child development could represent a comprehensive and preventative approach to social problems at the earliest point in life. Rather than using our money to rectify social problems which eventually occur as a result of a lack of support or security for young children, investment at the front end could save us enormously in both human and financial costs 10 to 20 years down the road".

The parent state seems alive and well in this government's agenda. What I read here is a government that feels it is a better parent than a parent of the child. It is no secret that failed full employment policies and failed nanny state systems of the past 10 to 20 years are now being lived out through social turmoil in the former Soviet Union. It proved, and it will be proved again, that the state is not the best parent. A healthy family with a full choice for child care is the very best way to create a healthy society.

We propose that child care programs must subsidize financial need and not the method of child care chosen. Any such subsidy must be directed to the children and to the parents, not the institution and professionals, in order to allow a full choice of that care including the choice of the parent to stay home.

Surely a government which would consider direct payment of fees to students in its latest program of student fee transfers would consider the validity of a direct payment of child care costs to the parents of the child.

We support the regulation of day care standards but at the provincial level. It is at this level that medical and social services and the decisions that go with them are made. These relate directly with the needs of day care regulations. More fundamentally, as so much of the issue of the need for child care stems from economic factors, we support the concept of income splitting between legally married couples to help support and nurture families. Why should a family with a single wage be penalized with higher taxes than dual earners with the same total income?

Another more possibly distant solution would be a system of flat tax for all Canadians. I am encouraged as members from both sides of the House investigate this as a possibility. Within such a system accommodation could be made for the needed care of children through social assistance program support where it is needed, at the level closest to that need.

This government can continue to promote short term solutions. More government programs will demand more taxpayer dollars. The need for the increased taxpayer dollars means less money for individual use. Decreased disposable income will create fewer real jobs and less incentive to work and in turn will create more poverty, which in turn will create more poor children.

We need long term vision for the solutions. We reject a national day care program. Fewer government programs will allow individual Canadians to have choice and self–reliance. Families and their importance in our society will be enhanced for stronger communities.

We speak often of citizenship and the necessity of participation in the community. It is time the government dropped the rhetoric and faced reality. I believe, and may I add that single mom agrees with me, that our sense of citizenship and belonging will come through our strength as families and our participation as families in our communities.

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Madam Speaker, I wish to thank my colleague from Port Moody—Coquitlam for her remarks. I have to say that I think she makes some very good points. The member talked about a national day care program. There are still a lot of questions that have to be answered with respect to day care.

• (1800)

If I may, I will point out to her a little experience I had just recently with respect to that issue which might throw some light on it for her. It concerns a meeting I was at where a for profit lobbyist found her firm in a confrontation. They were hired by a private day care centre in a community to get established in that community. They were up against a publicly funded day care advocacy organization, in other words a special interest group. This special interest group which was supporting national day care and government controlled day care won the issue and the privately funded day care centre was forced to close.

When we approach the issue of a national day care program, I think we all agree that the opportunity must be there however the opportunity is expressed. I think government has to be alert to the fact that we have a lobby group out there now that has for many years been funded by government and that lobby group is very alive and active.

I certainly agree with the member that this is something we should debate. I certainly do not have my mind made up on it. I think we can carry it forward but I hope the debate will be done between ourselves or out in the community rather than without the intervention of special interest groups.

I do not know whether the member would like to comment on that but I would invite her to do so.

**Mrs. Hayes:** Madam Speaker, I appreciate the member's comments. I certainly am interested in the anecdote that he mentioned.

This is probably the way things will progress given the present scenario of government involvement in day care. It will become increasingly impossible for an alternative to exist. This is the point I was trying to make. It will take away the choice from parents in communities and force on them a government dictated and funded program which will end up being more expensive.

The root of this problem and so much of what has happened with government funded programs is around those special interest industries, shall we say, the very people who are employed and get their future security rally around the programs that the government proposes and then build their industry on that. I have seen it in immigration and in different areas of government involvement. If there is money to be had, security of employment and an opportunity for garnering government funds, we can be sure hands will be out and people will be there.

This is certainly a problem with national day care especially as the government funds the institutions and the professionals that are involved rather than the families. Maybe that comes back to me underlining what I mentioned in my talk. If funds are needed to support child care that money should go to the parents for them to make the choice and be able to put wheels on that choice by choosing what they feel is the best care.

Giving the money to the professionals, giving the money to the day care centres simply creates that special interest environment. Those people will be there to encourage a self–perpetuation of that system. That is not to the betterment of our families, our kids or our communities. I thank the member for his comment.

[*Translation*]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Madam Speaker, I was interested to hear what the hon. member had to say, especially when she talked about preserving the family unit, which is the nucleus of our society, and I think everyone in this House would agree wholeheartedly with that view.

Today, however, we must realize that as a result of this reform, the family as we know it will change. We will be left with only two kinds of families. We will have very rich families with a lot of tax shelters and very poor families. The middle class will disappear altogether. What kind of country will we have as a result? A very wealthy class and a very poor class. No more room for the middle class.

• (1805)

You also pointed out that you were against introducing measures for spouses. I respect that, and I agree.

Today, employers and employees pay very high unemployment insurance premiums. You said that to help families, it was necessary to create jobs, and not temporary jobs but well–paying jobs. In that case, in order to create jobs and to help employers and SMEs create jobs, present UI premium rates should be reduced.

I would appreciate hearing the views of the hon. member and her caucus on the possibility of reducing UI premium rates for employers and employees in the very near future.

[*English*]

**Mrs. Hayes:** Madam Speaker, I thank the hon. member for his comments. There were two major points made. I will address the first one. There are two kinds of families, the wealthy and, increasingly, the poor as indeed the middle class seems to be buffeted on all sides.

What is it that is destroying our middle class? The very thing that is taking the power and the resources from that middle class is the increase in the government programs that are ever increasing its taxes.

The poor become trapped in a cycle of not breaking out of poverty because, for instance, single parents families get jobs but earn hardly more than they receive on welfare. They choose not to because it works against themselves to do so.

I believe the best way is a fair taxation system and government only doing what it has to do so that the resources are left in the hands of Canadians. A fair taxation system, for instance the flat tax system I suggested, would fairly treat wealthy and middle class, and allow and accommodate for poorer people so that Canadians would be able to use the money to address the needs they have. That way I believe the middle class can survive and the families of the middle class can survive. The more government we have the worse it is.

I am not sure I quite understood the second half of the member's question. Again it may go back to the same philosophy. I agree we should not be asking for more government assistance for programs. The government money should go to people who need that money. Our social assistance programs should be designed to be targeted only to those who need them and if it is a social program, whether it be day care, UI, or any of the other many programs that are there. We could take it right to the equalization to provinces. Social spending should go only to the people who need it. Perhaps then employees and employers and indeed the families represented in those relationships would have more money to do what they need to do.

I am not sure I answered the question but again it goes to less government involvement, therefore less government spending, better targeting for government spending long term. That is a solution to most of these problems.

**Mr. Tony Valeri (Lincoln, Lib.):** Madam Speaker, it is certainly a pleasure for me to have the opportunity to rise today and speak to this motion. I would like to focus my comments on the opportunities that Canadians have for input into the social security reform process and to encourage Canadians to participate.

• (1810)

Certainly, social security reform is one of the most important initiatives undertaken by government in many years. Canadians have an unprecedented number of ways of making their voices heard on this particular subject. All Canadians must be able to have their say on how we should rebuild the Canadian social safety network for the 21st century.

Let me outline the many ways in which Canadians will have an opportunity to share their concerns, ideas and solutions on how to redesign our programs. These consultations will help to make our programs not only more efficient but certainly more effective, which is one the big goals of this whole social security reform.

It has been about six or seven weeks since the launch of the discussion paper. Public interest in the document has certainly been quite high and remains high. Since October 5 the ministry has received over 12,000 calls requesting material and information. In total, we have distributed about 114,000 copies of the discussion paper and almost 210,000 copies of the summaries of that discussion paper.

We want a mutual exchange of ideas with the public on the federal government's initiative to reform social security and we want to hear from as many Canadians as possible. To encourage this we have recently released a workbook called "Have your say" which seeks the public's input on our social security reform options. We supplied a postage paid envelope in each workbook for the return of the response. All answers mailed prior to January 16, 1995, will be part of a final published report on what Canadians have said.

As well we will be sending the Standing Committee on Human Resources Development an interim report in late December. The analysis of the responses will be conducted by D.R. Harley Consultants Limited, an Ottawa based firm which assisted in the development of the workbook to ensure its objectivity.

The workbook is widely available through postal outlets, Canada Employment Centres, many grocery stores, the YM and YWCAs across Canada. It is also available by calling the 1–800 number, a toll free number, or by calling your local member of Parliament.

The 1–800 line is a source of information and an avenue for Canadians to express their views on social security reform. Canadians have already made extensive use of this line and it continues to be heavily used. I think this alone is a prime example of the importance that Canadians place on social security reform and the government's commitment to hearing their views.

In addition to the workbook and the 1–800 line, Canadians have an unprecedented number of ways to make their voices heard on social security reform.

The Department of Human Resources Development Canada has produced a wealth of information on the reform that is available to the public. The information is not only available in print and alternative formats, but much of it is also available to Canadians on the information highway.

The Standing Committee on Human Resources Development is the focal point for the consultations on this reform. All other forms of consultation will be fed into the standing committee for its final report.

We should not forget that the committee is comprised of members from the three largest parties represented in this House. I am pleased to say that there is significant interest in appearing before that committee. More than 80 national organizations appeared before the committee between October 26 and November 8 of this year. In general, these national organizations supported the need for reform and the principles laid out in that discussion paper. Most groups expressed a wide range of concerns about the specific options available in that paper.

The committee has now started its consultations with Canadians. Fifteen members of the committee will travel for five weeks to 22 cities and towns in provinces across this great country. This will present Canadians, whether they live in an urban or rural setting, in the far north or in downtown Toronto, the same opportunity to participate. Once again, interest from the public has been overwhelming. Nearly 500 requests came into the committee from the western portion of its trip. The committee is making every effort to hear from as many groups and individuals as possible.

Those who cannot appear have the opportunity to submit a brief before December 9, 1994, so that committee members can benefit from the widest range of views and ideas. We would encourage Canadians who may not be able to appear before the committee or attend any of the local workshops presented by members of Parliament to submit a brief to the committee before December 9.

• (1815)

Social security reform consultation encourages each member of Parliament to become involved in these consultations. Working within their own constituencies to inform the electorate, MPs provide Canadians with yet another avenue to express their concerns, ideas and solutions on how to redesign Canada's social security system.

Recently I had the pleasure of hosting a social security workshop in my riding of Lincoln. Approximately 70 constituents took the time to come out and address their concerns. They raised a number of important issues.

They felt that government must remove the disincentives to work and that government should provide some sort of income supplement but only to those individuals who need it. We must stop duplicating training programs. We need to work with industry and the provinces to ensure that they are efficient and practical. Industry and government have to work together to ensure that programs meet the needs of tomorrow's workers. We should look at more effective ways of forecasting for jobs. We also had widespread endorsement for the idea of restructuring student loans based on the ability for students to repay those loans.

Since the release of the discussion paper more than 190 public town hall meetings have been planned by members of Parliament, including several members from across the floor. The feedback we have been getting is that Canadians understand the need for reform and recognize that change is not only inevitable but essential. Canadians may differ on the solutions but whether these town hall meetings are held in Bridgewater or Whitehorse, Canadians want to be an integral part of the dialogue and the debate.

Community agencies are getting involved in the consultation process. Agencies such as the United Way, the Laurier Institute, the Atlantic Provinces Economic Agency and the Institute of Urban Studies at the University of Winnipeg are organizing seminars across the country on social security reform. The seminars are designed to provide Canadians some of whom are the individuals most affected by social security reform with an opportunity to offer their views. I am pleased to report that some 500 Canadians are taking part in these seminars.

Finally, a series of four policies colloquia will provide an opportunity for experts to brainstorm on some of these options in the areas of lifelong learning, post–secondary education, training and employment development services and child poverty. These colloquia will take place in January 1995 and are being organized by institutes such as Caledon and the Conference Board.

The purpose of these colloquia is to broaden the dialogue on some of the more contentious issues associated with social security reform. These issues are identified in a discussion paper but have not to date been fully addressed in briefs, submissions or other forms of consultation.

As this update illustrates we are serious about consulting with Canadians. The public may be heard through the 1–800 number, the workbook, the standing committee, their MPs at town hall meetings, in consultation seminars and through policy colloquia. In addition, Canadians are encouraged to write directly to their member of Parliament or to the Minister of Human Resources Development or to fax or send electronic mail to the minister. We want as many Canadians as possible to take part in rebuilding our social security system to meet the needs of Canadians today and into the 21st century.

I want to make a couple of points based on the discussion I heard today from a number of colleagues from across the floor. One of the first speakers today from the Reform Party had indicated they wanted government to say more on this consultation process. The purpose of the consultation is to hear from Canadians and not to bias the discussion in any way, to make sure that the whole process is very transparent and open. We are doing that.

The other comment was that we need to act now and that we do not need to consult any more. I do not believe this type of consultation has happened before. It has never happened before. Government will show leadership by taking action after listening to Canadians. We will be acting in a way that reflects Canadians' concerns.

Another comment made was that taxpayers' money was being spent uselessly. I beg to differ. As I mentioned in my discussion constituents in my riding came out to speak with me. The Parliamentary Secretary to the Minister of Human Resources Development came out to meet with the people of Lincoln to discuss and consult on what the options were. We heard what some of those options were and received feedback from constituents.

• (1820)

I will close by saying that our government will listen and lead. That is the leadership Canadians have asked for and that is the type they will receive from this government.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Madam Speaker, it is always a pleasure to rise in the House after listening to the Liberals describe how they have discovered consultation after 125 years of sharing power with the Conservatives. It is long overdue but a very welcome discovery. We would recommend it to them at any time.

It begs the question of course: What were they doing for the previous nine years as they sat in opposition? What were they doing with their red book? It is a good thing it did not take them as long to organize the red book as it has taken them to organize what needs to be done here. It could be that what we have in front of us is a softening up process.

Everyone agrees that changes have to be made. Everyone in the country knows we cannot go on the way we have been and that changes are required and must be made. We all agree on the principle, it is the policies that are going to be a little difficult.

I would ask my hon. colleague from Lincoln who has delivered such an impassioned, reasoned address: What should be the criteria? He mentioned in his discourse that the criteria for social benefits must be based on need which would preclude then that social benefits should be determined by want. They should be addressed on need and certainly I think most members in this House would concur. What will be the criteria for need? Has the hon. member opposite given any thought to what the criteria should be for those who are to receive social benefits from the taxpayer?

**Mr. Valeri:** Madam Speaker, I thank the hon. member for his question. I would certainly like to recognize once again that the hon. member does agree with the whole process and I thank him. We are certainly on the right track. I am hearing from my constituents that consultation is long overdue and is something our government is moving on quite rapidly.

When I reflected in my discussion on what the town hall participants said I was reflecting what my constituents have said to me. One of those things is to assess our programs and try to make them more effective and more efficient.

When it comes to need, we are absorbing that information from the constituents and from the various sources of information and different processes that are available. Once the consultation period is over we will be coming forward with very concrete responses to that question.

**Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.):** Madam Speaker, I was most impressed with the delivery and the content of the message given by the hon. member for Lincoln, as well as the hon. member across the way from Edmonton Southwest.

**Mr. DeVillers:** Somewhat less.

**Mr. Dromisky:** But somewhat less.

However, the member across the way recognized the importance of the red book this government has been using for guidance, a bible as one might call it.

This publication is the result of the efforts and contributions of tens of thousands of people over a two year period. It is a beautiful example that for the first time in the history of this country the democratic process was put into operation prior to an election over a very lengthy period of time. It produced an enlightened document and provides us with the guidance we so require in order to guide this country out of the turmoil it is presently in.

• (1825)

I would like to point out, as the member for Lincoln has pointed out, that the democratic process we have been using is very time consuming. It is true. If this was a dictatorial system, we would have an answer immediately. Because we adhere to basic, democratic principles, we will always listen to the people for guidance. That is exactly what we have been doing with the document pertaining to our social network and social services.

As a result, from coast to coast, a multitude of strategies have been put into operation. We are, as our eloquent speaker has already pointed out, receiving the type of guidance that is required to be sure that no one is suffering because of drastic changes in financial support or human resources or any kind of policy whatsoever.

**Mr. Valeri:** Madam Speaker, I can only repeat once more that the whole process is about listening first and then leading. That is the leadership Canadians have asked for and that is the type of leadership they will receive from the government.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Madam Speaker, I too have a question or some comments for the hon. member. We have seen two types of consultation take place in regard to this process. The first type is members of Parliament consulting directly with their constituents. Certainly Reform has been doing that for some time. I am pleased to see that the Liberals have picked that part up. That consultation has been very useful.

The second type of consultation has been through the human resources development committee. That is the travelling road show. It has been much less successful. I liked the hon. members comments on that.

A young person approached me in my constituency. He said he had been invited first of all to Calgary to meet with the minister to discuss advanced education on less than 24 hours' notice. This young person was then invited to the meeting in Edmonton. He was cancelled from the meeting in Edmonton. The person who told him he was cancelled said to him that the committee is in a shambles.

I would like the hon. member to comment on that.

**Mr. Valeri:** Madam Speaker, I want to address the hon. member's comment on consultation. Certainly he realizes that he does not have a monopoly on consulting with his constituents. The Liberal Party has been doing that for some time.

As far as the committee is concerned and whether it is working properly, nearly 500 requests came into the committee for the western portion of its trip. The committee is functioning. Canadians have an opportunity to appear before the committee and I encourage more to do so.

**Mr. Stan Keyes (Hamilton West, Lib.):** Madam Speaker, I want to congratulate the hon. member for Lincoln for his speech this afternoon. Obviously the hon. member has a firm grasp on the importance and relevance of this issue to Canadians and to his constituents in the riding of Lincoln.

As far as the member from Windbag, Saskatchewan, what is it, Gasbag, Saskatchewan, I have to say that I find it somewhat humorous if not ironic, maybe even hypocritical, when we hear the reforming social security part of this agenda for growth here in this great country of Canada—

**Mr. McClelland:** Madam Speaker, I rise on a point of order. My hon. colleague opposite referred to Windbag, Saskatchewan. I wonder if the Chair might ask the member opposite to be a bit more explicit. Did he mean Windbag, Alberta?

**Mr. Keyes:** If there was time allowed, I would get into much detail on this hon. member's riding. As I said, the hypocrisy I see here is that we are talking about reforming social security as part of our agenda for growth.

This is a concept that the Reform Party does not quite grasp. We know the Prime Minister, the Minister for Human Resources Development, all Canadians, those in my riding of Hamilton West, or in the riding of Lincoln, where the hon. member hails from, realize that these programs put together will put people and jobs together. The programs we have today do not do that well enough and we are making sure that it will be working for Canadians in the future.

• (1830)

**Mr. Valeri:** Madam Speaker, I certainly concur with what my hon. friend has said in that there is much need for reform of these policies. These policies have been in existence for a long time, for decades. Canadians are looking for more effective ways of dealing with these policies. This reform process and the consultation process will point us in that direction.

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## ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### PEARSON INTERNATIONAL AIRPORT

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Madam Speaker, it seems to be a fairly standard procedure for me to end up in adjournment proceedings whenever I ask a question of the Minister of Transport. The purpose of adjournment proceedings is to try and get an answer when you did not get either a full answer or any answer at all during Question Period. That occurs almost every time I pose a question to that minister.

The question that brought me here tonight is can the Minister of Transport advise the House how he justifies denying any Canadian the right of due process? It is not the first time I have asked that question and it is not the first time that the minister has declined to answer.

The minister instead came up with his usual type of rhetoric. One of the comments he made, which of course I have heard before, is that I want to help my friends, that I want to help my Tory friends.

I would deal with that the same way I would deal with it when it has been brought up before. Only 18.5 per cent of those on the Pearson consortium were known to have close Tory ties, while over 50 per cent are known to have close Liberal ties. I have never heard the minister suggest that I am out to help the Liberals, although God knows they could use some help.

What I would ask instead is with regard to due process. How can he justify denying it to any Canadian?

Had the Pearson consortium been made up of American companies or Mexican companies, the minister would have had to give them the right of due process because it is guaranteed under the North American free trade agreement signed by the Liberal government.

Interestingly, the Prime Minister rose in this House in early October and stated for the record that José Salinas Mendoza, a sexual predator who has been deported from this country and is back again now claiming refugee status, has the right to due process.

I had a conversation on air with the chairman of the Standing Committee on Transport who says that is not valid, that is criminal law and we are not dealing in Pearson with criminal law, while the NAFTA argument was civil law.

Civil law or criminal law notwithstanding, it seems that everyone including foreign companies and illegal immigrants have the right of due process. Why will the minister not grant that to Canadians?

This could set a dangerous, unbelievable precedent for all kinds of different companies and organizations throughout Canada that have contracts with government.

Where is the actual break point between what happens with Pearson and what happens with any other company in Canada that has a contract with the government?

The minister said in answer to my question, an alleged answer, that if this thing ends up in the court the court could find that the contract was valid and entered into in good faith, in which case damages would be awarded, and we do not want to pay that money, so consequently we will ban them from the court.

He also said Reform has no respect for the court or the law. On the contrary, we have respect for both of those institutions and, more important, we have respect for all Canadians and their right to due process.

I will repeat my question to the minister, hopefully to get an answer. How do they justify denying the right of due process to any Canadian or Canadian company?

**Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Madam Speaker, I stand here amazed by the member's approach to this issue. The real question must be is anybody on the top side of God's green earth prepared to defend this deal on its merits? Is the member defending the way the members of the now defunct Conservative administration set up this deal? Do we understand from this that the member is defending the consortium's right to $445 million of taxpayers' money when it did not put one new nail in the terminal, did not paint a wall and did not pour a drop of concrete?

It is up to Parliament to decide on the public policy and to defend the interest of taxpayers. Out of curiosity, is there anyone else on that side of the House who would believe that we should increase the deficit by $445 million in one fell swoop?

The Reform Party decries the length of time it takes to go through due process for individuals, wanting us to tell judges what they should be doing. When it comes to taking care of the taxpayer, after this government reviewed the process and public policy questions on this deal, the Reform Party cries for due process.

Sure, the member wants due process for his new found Tory friends who are anxious to protect their claim for $445 million of taxpayers' money. People on the west coast must be reeling trying to keep up with the Reform Party and its new found ties to the erstwhile targets in the Senate. They have had the experience of watching their members embrace a $445 million Tory trip to the trough and now we have the incredible sight of the Reformers in bed with their Tory bosom buddies in the other place taking a final fling up the coast.

I can promise that we will be vigilant in protecting the taxpayers' interests especially in light of the apparent abandonment of any fiscal responsibility by the party opposite.

**The Acting Speaker (Mrs. Maheu):** Pursuant to Standing Order 38(5), 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 6.36 p.m.)